

Corporation of the City of Campbelltown

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

A safe, sustainable, vibrant Community



Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2023

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Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2023

Council Certificate

Certification of Financial Statements

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

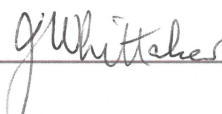
In our opinion:

- 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 2023 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

Date: 21 November 2023



Jill Whittaker
Mayor

Corporation of the City of Campbelltown

Statement of Comprehensive Income

for the year ended 30 June 2023

\$	Notes	2023	2022
Income			
Rates	2a	43,859,639	41,811,492
Statutory charges	2b	1,299,249	1,297,906
User charges	2c	6,628,587	5,815,675
Grants, subsidies and contributions - capital	2g	672,824	922,767
Grants, subsidies and contributions - operating	2g	4,667,636	5,431,976
Investment income	2d	1,374,106	260,563
Reimbursements	2e	722,438	470,267
Other income	2f	862,372	770,782
Net gain - equity accounted council businesses	19(a)	43,969	—
Total income		60,130,820	56,781,428
Expenses			
Employee costs	3a	15,680,505	14,183,728
Materials, contracts and other expenses	3b	27,241,346	24,801,536
Depreciation, amortisation and impairment	3c	17,290,429	14,252,006
Finance costs	3d	1,115	2,815
Net loss - equity accounted council businesses	19(a)	—	78,138
Total expenses		60,213,395	53,318,223
Operating surplus / (deficit)		(82,575)	3,463,205
Physical resources received free of charge	2h	2,624,708	23,910
Asset disposal and fair value adjustments	4	(2,971,721)	(1,145,045)
Amounts received specifically for new or upgraded assets	2g	2,238,834	4,078,088
Net surplus / (deficit)		1,809,246	6,420,158
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	175,113,079	73,501,399
Share of other comprehensive income - equity accounted council businesses	19	28,357	1,388
Total amounts which will not be reclassified subsequently to operating result		175,141,436	73,502,787
Total other comprehensive income		175,141,436	73,502,787
Total comprehensive income		176,950,682	79,922,945

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 2023

\$	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	39,142,553	36,264,264
Trade and other receivables	5b	2,887,101	3,494,251
Inventories	5d	19,940	21,049
Total current assets		42,049,594	39,779,564
Non-current assets			
Trade and other receivables	6a	235,640	235,895
Equity accounted investments in council businesses	6b	377,616	312,846
Other non-current assets	6c	3,422,747	7,900,001
Infrastructure, property, plant and equipment	7	931,445,864	753,494,574
Total non-current assets		935,481,867	761,943,316
TOTAL ASSETS		977,531,461	801,722,880
LIABILITIES			
Current liabilities			
Trade and other payables	8a	6,914,788	8,235,234
Borrowings	8b	6,609	50,784
Provisions	8c	2,268,786	1,996,420
Total current liabilities		9,190,183	10,282,438
Non-current liabilities			
Borrowings	8b	1,709	8,317
Provisions	8c	801,415	837,097
Total non-current liabilities		803,124	845,414
TOTAL LIABILITIES		9,993,307	11,127,852
Net assets		967,538,154	790,595,028
EQUITY			
Accumulated surplus		124,027,107	129,826,297
Asset revaluation reserves	9a	766,794,389	594,152,223
Other reserves	9b	76,716,658	66,616,508
Total council equity		967,538,154	790,595,028
Total equity		967,538,154	790,595,028

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 2023

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		129,826,297	594,152,223	66,616,508	790,595,028
Net surplus / (deficit) for year		1,809,246	—	—	1,809,246
Other comprehensive income					
Share of OCI - equity accounted council businesses		28,357	—	—	28,357
- Gain (Loss) on Revaluation of I,PP&E	7a	—	175,113,079	—	175,113,079
Transfer to accumulated surplus on sale of I,PP&E	9a	2,470,913	(2,470,913)	—	—
Other equity adjustments - equity accounted council businesses	19	(7,556)	—	—	(7,556)
Other comprehensive income		2,491,714	172,642,166	—	175,133,880
Total comprehensive income		4,300,960	172,642,166	—	176,943,126
Transfers between reserves		(10,100,150)	—	10,100,150	—
Balance at the end of period		124,027,107	766,794,389	76,716,658	967,538,154
2022					
Balance at the end of previous reporting period		125,627,621	521,482,824	63,383,631	710,494,076
Adjustments (correction of prior period errors)	24	172,976	—	—	172,976
Net surplus / (deficit) for year		6,420,158	—	—	6,420,158
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		7,258,577	72,669,399	—	79,927,976
Transfers between reserves		(3,232,877)	—	3,232,877	—
Balance at the end of period		129,826,297	594,152,223	66,616,508	790,595,028

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 2023

\$	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		43,847,413	42,019,503
Statutory charges		1,299,249	1,297,906
User charges		7,180,620	6,446,801
Grants, Subsidies and Contributions (operating purpose)		4,667,636	3,950,763
Investment receipts		1,374,106	260,563
Reimbursements		722,438	516,471
Other receipts		4,654,797	2,185,783
<u>Payments</u>			
Payments to employees		(15,862,995)	(14,062,583)
Payments for materials, contracts and other expenses		(31,897,687)	(26,102,583)
Finance payments		(1,182)	(3,083)
Net cash provided by (or used in) operating activities	11b	15,984,395	16,509,541
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		2,238,834	5,843,958
Grants utilised for capital purposes		672,824	922,767
Sale of replaced assets		350,704	192,355
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(7,351,948)	(13,453,406)
Expenditure on new/upgraded assets		(9,003,022)	(9,267,126)
Net cash provided (or used in) investing activities		(13,092,608)	(15,761,452)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from bonds and deposits		112,740	71,332
<u>Payments</u>			
Repayment of lease liabilities		(44,916)	(68,130)
Repayment of bonds and deposits		(81,322)	(121,693)
Net cash provided by (or used in) financing activities		(13,498)	(118,491)
Net increase (decrease) in cash held		2,878,289	629,598
plus: cash & cash equivalents at beginning of period		36,264,264	35,634,666
Cash and cash equivalents held at end of period	11a	39,142,553	36,264,264
Additional information:			
Total cash, cash equivalents and investments		39,142,553	36,264,264

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 2023

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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 2023

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.

(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.

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.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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
2020/2021	\$1,638,260	\$1,929,386	- \$291,126
2021/2022	\$2,644,439	\$2,030,073	+ \$614,366
2022/2023	\$2,774,260	\$2,190,447	+ \$583,813

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 2023

Note 1. Summary of Significant Accounting Policies (continued)

(6) Infrastructure, property, plant and 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 and 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 2023

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 and Fittings

Furniture and Fittings	5 to 20 years
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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 2023

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 - 8.37% (2022, 6.27%)

Weighted average settlement period - 2.27 years (2022, 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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 - 6.5 Impairment.

ii) Lease Liabilities

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

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

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

(11) Equity accounted Council businesses

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

(12) GST implications

In accordance with UIG Abstract 1031 *Accounting for the Goods & Services Tax*

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(13) New accounting standards and UIG interpretations

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

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, 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 annual reporting periods beginning on or after 1 January 2023

- *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current.*

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale and Contribution of Assets between an Investor and its Associate or Joint Venture.*

(14) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts have been reclassified or individually reported for the first time within these financial statements and/or the notes. Refer to Note 24 Retrospective Restatement of 2022 Comparative Data for further details

(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 2023

Note 2. Income

\$	2023	2022
(a) Rates		
General rates		
General rates	43,320,223	41,313,403
Less: mandatory rebates	(712,845)	(746,080)
Less: Rate Capping	(124,352)	(96,947)
Less: discretionary rebates, remissions and write-offs	(99,745)	(113,719)
Total general rates	42,383,281	40,356,657
Other rates (including service charges)		
Regional Landscape Levy	1,257,388	1,262,147
Total other rates (including service charges)	1,257,388	1,262,147
Other charges		
Penalties for late payment	145,329	133,520
Legal and other costs recovered	93,751	84,893
Total other charges	239,080	218,413
Less: discretionary rebates, remissions and write-offs		
Less: discretionary rebates, remissions and write-offs	(20,110)	(25,725)
Total less: discretionary rebates, remissions and write-offs	(20,110)	(25,725)
Total rates	43,859,639	41,811,492
(b) Statutory charges		
Development Act fees	48,628	55,310
Town planning fees	493,993	546,952
Animal registration fees and fines	237,233	226,607
Parking fines / expiation fees	408,250	322,304
Environmental control fines	23,083	27,953
Section 7 Searches	87,235	117,606
Other licences, fees and fines	827	1,174
Total statutory charges	1,299,249	1,297,906
(c) User charges		
Cemetery Fees	15,172	26,705
Hall and Equipment Hire	454,328	403,881
Sales - General	7,966	751
ARC Campbelltown	5,520,327	4,800,792
Lease Fees	544,643	509,053
Library Services	67,231	60,264
Sundry	18,920	14,229
Total user charges	6,628,587	5,815,675

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 2. Income (continued)

\$	2023	2022
(d) Investment income		
Interest on Investments		
- Local Government Finance Authority	1,326,341	252,305
- Banks and other	47,250	7,743
- Loans to community groups	515	515
<u>Total investment income</u>	<u>1,374,106</u>	<u>260,563</u>
(e) Reimbursements		
Private works	93,926	96,926
Joint undertakings	536,709	333,985
Other	91,803	39,356
<u>Total reimbursements</u>	<u>722,438</u>	<u>470,267</u>
(f) Other income		
Insurance and other recoupments - infrastructure, property, plant and equipment	108,642	9,535
Rebates received	8,598	5,885
Community Home Support Program Contributions	235,744	238,895
Workers' Compensation Rebate	349,688	331,084
Sundry	159,700	185,383
<u>Total other income</u>	<u>862,372</u>	<u>770,782</u>

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 2. Income (continued)

\$	2023	2022
(g) Grants, Subsidies and Contributions		
Fourth Creek Trail - Stage 3	221,950	3,050
Max Amber Sportsfield Redevelopment	332,300	3,711,446
Paradise Recreation Plaza	313,825	29,817
State Bicycle Fund	89,143	78,057
Thorndon Park Super Playground	1,125,000	125,000
Other Amounts Received Specifically for New or Upgraded Assets	156,616	130,718
Total Amounts Received Specifically for New or Upgraded Assets	2,238,834	4,078,088
Other Grants, Subsidies and Contributions - Capital		
ARC Campbelltown - Aquatic Space Upgrade	–	95,904
Daly Oval Floodlighting	320,000	–
Foxfield Oval Change Room Upgrade	–	173,069
Max Amber Sportsfield Redevelopment	–	117,029
Roads to Recovery	152,995	536,765
State Bicycle Fund	17,829	–
Steve Woodcock Female Change Room Improvements	182,000	–
Total Other Grants, Subsidies and Contributions - Capital	672,824	922,767
Other Grants, Subsidies and Contributions		
Untied - Financial Assistance Grant	2,774,260	2,644,439
Community Home Support Program	812,190	782,686
Library Operating Subsidy	174,428	174,803
Library Materials Grant	144,733	148,656
Local Roads and Community Infrastructure Grants	495,088	1,522,748
Special Local Roads Program	–	81,757
Other Grants, Subsidies and Contributions	266,937	76,887
Total Other Grants, Subsidies and Contributions	4,667,636	5,431,976
Total Grants, Subsidies and Contributions	7,579,294	10,432,831
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	1,832,573	6,451,013
State Government	5,382,568	3,809,460
Other	364,153	172,358
Total	7,579,294	10,432,831
(h) Physical resources received free of charge		
Land and improvements	968,834	–
Infrastructure	1,633,924	23,910
Furniture & Fittings	–	–
Shade Shelters and Structures	21,950	–
Total physical resources received free of charge	2,624,708	23,910

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 3. Expenses

\$	Notes	2023	2022
(a) Employee costs			
Salaries and wages		11,790,832	10,689,145
Employee leave expense		2,192,680	2,054,004
Superannuation - defined contribution plan contributions	18	1,032,162	847,780
Superannuation - defined benefit plan contributions	18	349,035	369,718
Workers' compensation insurance		652,285	630,840
Less: capitalised and distributed costs		(336,489)	(407,759)
Total operating employee costs		15,680,505	14,183,728
Total number of employees (full time equivalent at end of reporting period)		142	143
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		24,000	25,438
- Other auditors		29,671	—
Bad and doubtful debts		127,395	157,849
Elected members' expenses		258,535	265,615
Election expenses		246,408	22,950
Lease expense - low value assets / short term leases		20,393	19,726
Subtotal - prescribed expenses		706,402	491,578
(ii) Other materials, contracts and expenses			
Contractors		17,917,707	15,065,520
Energy		2,167,939	1,936,190
Legal expenses		458,131	288,803
Levies Paid to Government - Regional Landscape Levy		1,237,355	1,236,467
Levies - other		534,917	535,940
Parts, accessories and consumables		1,946,886	1,727,533
Professional services		280,940	382,292
Communications		168,403	181,873
Insurance		676,447	608,788
PLEC Contributions		—	1,327,712
Sundry		1,146,219	1,018,840
Subtotal - Other material, contracts and expenses		26,534,944	24,309,958
Total materials, contracts and other expenses		27,241,346	24,801,536

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 3. Expenses (continued)

\$	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings - Level 2	52,918	49,533
Buildings - Level 3	2,554,087	2,103,354
Infrastructure		
- Stormwater drainage	1,794,938	1,519,890
- Bridges	161,645	151,078
- Road Transport Assets and Car Parks	8,084,366	6,542,106
- Gross Pollutant Traps and Trash Racks	48,983	42,774
- Road Traffic Control Devices	162,325	111,866
- Footpaths and Walkways	1,513,993	1,088,472
Softfall, Fences and Gates	79,570	—
Park Furniture	56,065	43,092
Other Open Space Assets	271,068	301,232
Playground Equipment	519,629	463,122
Shade Shelters and Structures	143,439	132,474
Playing Fields, Courts, Lighting and Equipment	427,494	350,793
Other Boutique Assets	101,118	76,021
Right-of-use assets	46,748	62,803
Plant and equipment	1,068,410	1,037,745
Furniture and fittings	117,074	95,280
Bus Stops	86,559	80,371
Subtotal	17,290,429	14,252,006
Total depreciation, amortisation and impairment	17,290,429	14,252,006
(d) Finance costs		
Interest on overdraft and short-term drawdown	95	—
Charges on Leases	1,020	2,815
Total finance costs	1,115	2,815

Note 4. Asset disposal and fair value adjustments

\$	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	350,704	192,355
Less: carrying amount of assets sold	(3,322,425)	(1,337,400)
Gain (loss) on disposal	(2,971,721)	(1,145,045)
Net gain (loss) on disposal or revaluation of assets	(2,971,721)	(1,145,045)

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 5. Current assets

\$	2023	2022
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(a) Cash and cash equivalent assets

Cash on hand and at bank	54,782	47,474
Deposits at call	39,087,771	36,216,790
Total cash and cash equivalent assets	39,142,553	36,264,264

(b) Trade and other receivables

Rates - general and other	653,712	657,572
Accrued revenues	316,866	1,019,110
Debtors - general	758,308	691,863
GST recoupment	243,928	370,743
Prepayments	902,637	737,691
Athelstone Football Club Lease	5,572	5,572
Campbelltown Soccer Club Lease	10,000	10,000
Athelstone Football Club Loan	1,700	1,700
Subtotal	2,892,723	3,494,251
Less: provision for expected credit losses	(5,622)	—
Total trade and other receivables	2,887,101	3,494,251

(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 and materials	643	475
Trading Stock - ARC Campbelltown	19,297	20,574
Total inventories	19,940	21,049

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets

\$	2023	2022
(a) Trade and other receivables		
Receivables		
Council rates postponement scheme	107,494	91,408
Prepayments	7,873	6,942
Athelstone Football Club Lease	76,835	82,407
Campbelltown Soccer Club Lease	20,000	30,000
Athelstone Football Club Loan	23,438	25,138
Subtotal	235,640	235,895
Total receivables	235,640	235,895
<u>Total financial assets</u>	<u>235,640</u>	<u>235,895</u>
(b) Equity accounted investments in council businesses		
Eastern Waste Management Authority Inc.	234,589	168,555
Eastern Health Authority Inc.	143,027	144,291
<u>Total equity accounted investments in Council businesses</u>	<u>377,616</u>	<u>312,846</u>
(c) Other non-current assets		
Other		
Capital work in progress	3,422,747	7,900,001
Total other	3,422,747	7,900,001
<u>Total other non-current assets</u>	<u>3,422,747</u>	<u>7,900,001</u>

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

\$	Fair Value Level	as at 30/06/22				Asset movements during the reporting period								as at 30/06/23			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Other Movements (Physical Resources Received Free of Charge)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Level 2	2	30,403,000	—	—	30,403,000	—	—	—	—	—	—	—	3,260,400	33,663,400	—	—	33,663,400
Land - Level 3	3	328,401,110	—	—	328,401,110	—	—	—	—	—	—	—	—	361,465,640	—	—	361,465,640
Buildings - Level 2	2	2,770,700	—	(2,105,232)	665,468	—	—	—	(52,918)	—	—	—	43,532	2,950,800	—	(2,294,718)	656,082
Buildings - Level 3	3	96,362,300	10,943,916	(35,273,781)	72,032,435	1,930,330	2,821,382	—	(2,554,087)	—	—	—	4,371,077	113,077,716	4,751,712	(39,228,291)	78,601,137
Infrastructure																	
- Stormwater drainage	3	138,474,290	397,649	(59,033,228)	79,838,711	1,046,956	209,142	(47,177)	(1,794,938)	—	447,359	—	14,405,704	164,228,422	1,703,457	(71,826,122)	94,105,757
- Bridges	3	9,902,130	88,244	(2,628,779)	7,361,595	298,157	—	—	(161,645)	—	—	—	483,831	10,429,006	298,157	(2,745,225)	7,981,938
- Road Transport Assets and Car Parks	3	372,329,612	4,238,712	(188,593,003)	187,975,321	722,096	3,397,075	(2,518,550)	(8,084,366)	—	1,017,604	—	101,759,050	426,463,745	5,136,775	(147,332,290)	284,268,230
- Gross Pollutant Traps and Trash Racks	3	658,035	—	(307,071)	350,964	—	3,120	(1,801)	(48,983)	—	—	—	60,719	556,651	3,120	(195,752)	364,019
- Road Traffic Control Devices	3	6,701,232	138,209	(3,098,151)	3,741,290	225,069	19,283	(3,263)	(162,325)	12,583	—	—	1,334,246	7,266,503	244,352	(2,343,972)	5,166,883
- Footpaths and Walkways	3	45,813,077	720,365	(26,750,554)	19,782,888	534,125	2,170,619	(272,763)	(1,513,993)	—	616,320	—	14,470,646	56,694,535	3,321,064	(24,227,757)	35,787,842
Right-of-use assets		—	226,795	(166,257)	60,538	—	—	(5,867)	(46,748)	—	—	—	—	—	80,492	(72,569)	7,923
Plant and equipment		—	12,688,153	(7,215,390)	5,472,763	153,290	1,272,505	(296,501)	(1,068,410)	—	21,950	—	—	—	13,249,395	(7,693,798)	5,555,597
Furniture and fittings		—	1,647,361	(904,609)	742,752	41,341	32,196	(10,175)	(117,074)	—	—	—	—	—	1,700,121	(1,011,081)	689,040
Bus Stops	3	1,855,590	5,525	(910,133)	950,982	—	2,109	(19,178)	(86,559)	—	52,509	—	567,224	2,171,019	54,618	(758,550)	1,467,087
Softfall, Fences and Gates	3	—	—	—	—	527,736	18,339	—	(79,570)	1,205,630	—	—	372,134	2,188,536	546,075	(690,342)	2,044,269
Park Furniture	3	1,523,351	33,308	(751,647)	805,012	148,507	14,094	(8,201)	(56,065)	733	44,338	—	215,071	1,944,309	206,938	(987,758)	1,163,489
Other Open Space Assets	3	10,459,210	337,773	(5,166,200)	5,630,783	341,043	—	(4,752)	(271,068)	(1,230,557)	181,311	(686)	—	9,092,051	522,355	(4,968,332)	4,646,074
Playground Equipment	3	4,524,508	73,423	(2,973,073)	1,624,858	1,852,031	293,407	(65,907)	(519,629)	—	—	—	110,566	4,560,485	2,145,438	(3,410,597)	3,295,326
Shade Shelters and Structures	3	2,834,052	46,172	(1,419,891)	1,460,333	117,647	30,450	(41,370)	(143,439)	—	—	—	88,926	2,940,846	148,097	(1,576,396)	1,512,547
Playing Fields, Courts, Lighting and Equipment	3	7,440,148	700,306	(3,420,223)	4,720,231	1,726,565	662,182	(25,567)	(427,494)	—	—	—	240,934	8,580,293	2,388,747	(4,072,189)	6,896,851
Other Boutique Assets	3	3,313,621	48,404	(1,888,485)	1,473,540	215,562	—	(1,353)	(101,118)	11,611	243,316	—	265,175	3,541,722	458,878	(1,893,867)	2,106,733
Total infrastructure, property, plant and equipment		1,063,765,966	32,334,315	(342,605,707)	753,494,574	9,880,455	10,945,903	(3,322,425)	(17,290,429)	—	2,624,707	(686)	175,113,765	1,211,815,679	36,959,791	(317,329,606)	931,445,864
Comparatives		954,383,400	24,886,024	(302,705,102)	676,564,322	7,612,935	11,560,307	(1,337,400)	(14,430,896)	—	23,910	(453,468)	73,954,867	1,063,765,966	32,334,315	(342,605,707)	753,494,574

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

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 2023

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 2022. 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 2023.

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 2022. The depreciation expense for the year ended 30 June 2023 was calculated to take into account the updated revaluation.

A desktop revaluation for Buildings is scheduled to apply from 1 July 2023.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

Infrastructure

Stormwater Drainage

Visual inspections using CCTV recommenced effective 1 July 2022 and were undertaken on a small sample by TigerVac SA Pty Ltd. The unit rates developed by Council Staff for these asset categories were independently verified by Asset Engineering Pty Ltd as at 1 July 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account these unit rates.

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

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 2022, with depreciation for the year ended 30 June 2023 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 2023.

Road Transport Assets and Car Parks

Road Pavement, Kerb & Gutter and Car Parks were conditioned assessed by Talis Consultants Pty Ltd as at 1 July 2017. Talis were engaged to conduct another condition assessment and it is expected that this assessment will apply as at 1 July 2023, with asset values and depreciation expenses being updated to take into account the updated condition data.

Road Surfaces were conditioned assessed by Talis Consultants Pty Ltd as at 1 July 2022.

The unit rates developed by Council Staff for these asset categories were independently verified by Asset Engineering Pty Ltd as at 1 July 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account these unit rates.

A revision to unit rates for this asset category is expected to be applied as at 1 July 2023.

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 2022, with depreciation for the year ended 30 June 2023 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 2023.

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account these unit rates. Talis were engaged to conduct another condition assessment and it is expected that this assessment will apply as at 1 July 2023, with asset values and depreciation expenses being updated to take into account the updated condition data.

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 2023.

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account these unit rates. Talis were engaged to conduct another condition assessment and it is expected that this assessment will apply as at 1 July 2023, with asset values and depreciation expenses being updated to take into account the updated condition data.

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 2023.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

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.

Bus Stops

A data capture and validation exercise was last undertaken by Staff as at 30 June 2021. Unit rates developed by Council Staff for these assets were independently verified by Asset Engineering Pty Ltd as at 1 July 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account these unit rates.

It is expected that the next condition assessment will apply from 1 July 2024.

Softfall, Fencing and Gates

A data capture and validation exercise was last undertaken for Softfall assets by Programmed Property Services Pty Ltd as at 1 July 2018. A Desktop revaluation was undertaken by AssetVal Pty Ltd as at 1 July 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account the updated revaluation.

Fencing and Gate assets were revalued to their fair value as at 1 July 2019, with depreciation for the year ended 30 June 2023 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 2023.

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 2022, with depreciation for the year ended 30 June 2023 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 2023.

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 2023 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 2023.

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account the updated revaluation.

A full revaluation for this asset category is scheduled to apply from 1 July 2023.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account the updated revaluation.

A full revaluation for this asset category is scheduled to apply from 1 July 2023.

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account the updated revaluation.

A full revaluation for this asset category is scheduled to apply from 1 July 2023.

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 2022, with depreciation for the year ended 30 June 2023 being calculated to take into account the updated revaluation.

A full revaluation for this asset category is scheduled to apply from 1 July 2023.

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 8. Liabilities

	2023	2023	2022	2022
\$	Current	Non Current	Current	Non Current
(a) Trade and other payables				
Goods and services	2,861,948	—	2,117,518	—
Payments received in advance	2,064,093	—	2,569,830	—
Accrued expenses - employee entitlements	477,264	—	594,525	—
Accrued expenses - finance costs	—	—	67	—
Accrued expenses - other	885,137	—	2,381,322	—
Deposits, retentions and bonds	374,173	—	342,755	—
Other	252,173	—	229,217	—
Total trade and other payables	6,914,788	—	8,235,234	—

		2023	2023	2022	2022
\$	Notes	Current	Non Current	Current	Non Current
(b) Borrowings					
Lease Liabilities	17b	6,609	1,709	50,784	8,317
Total Borrowings		6,609	1,709	50,784	8,317

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

(c) Provisions

Annual Leave	938,913	302,139	819,615	400,775
Long Service Leave	1,329,873	499,276	1,176,805	436,322
Total provisions	2,268,786	801,415	1,996,420	837,097

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 9. Reserves

	as at 30/06/22				as at 30/06/23
\$	Opening Balance	Increments (Decrements)	Transfers	Reallocation	Closing Balance
(a) Asset revaluation reserve					
Land - Level 3	321,779,570	36,324,930	—	—	358,104,500
Buildings - Level 2	398,252	—	—	—	398,252
Buildings - Level 3	17,742,859	4,414,609	—	—	22,157,468
Infrastructure					
- Stormwater drainage	71,072,871	14,405,704	(42,791)	—	85,435,784
- Bridges	9,290,008	483,831	—	—	9,773,839
- Road Transport Assets and Car Parks	148,910,218	101,759,050	(2,058,135)	—	248,611,133
- Gross Pollutant Traps and Trash Racks	490,693	60,719	(2,393)	—	549,019
- Road Traffic Control Devices	2,818,066	1,334,246	(2,663)	—	4,149,649
- Footpaths and Walkways	13,992,005	14,470,646	(256,577)	—	28,206,074
Softfall, Fences and Gates	—	372,134	—	—	372,134
Park Furniture	195,997	215,071	(3,302)	—	407,766
Other Open Space Assets	1,916,089	(686)	(2,069)	—	1,913,334
Playground Equipment	1,540,845	110,566	(62,716)	—	1,588,695
Shade Shelters and Structures	886,983	88,926	(26,060)	—	949,849
Playing Fields, Courts, Lighting and Equipment	2,420,355	240,934	(1,715)	—	2,659,574
Other Boutique Assets	311,052	265,175	(446)	—	575,781
Bus Stops	386,361	567,224	(12,046)	—	941,539
Total asset revaluation reserve	594,152,224	175,113,079	(2,470,913)	—	766,794,390
Comparatives	521,482,825	73,102,633	(808,331)	—	593,777,127

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

	as at 30/06/22				as at 30/06/23
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Asset Replacement Reserve	5,377,274	963,871	(600,603)	—	5,740,542
Committed Works Reserve	14,329,900	14,964,900	(14,329,900)	—	14,964,900
Reserves Development Reserve	154,445	4,911	(159,356)	—	—
Renewal & Replacement Reserve	46,443,930	9,188,996	—	—	55,632,926
Galt Trust	2,058	65	—	—	2,123
Urban Tree Fund	21,025	3,357	—	—	24,382
Significant Tree Maintenance & Tree Planting Reserve	287,876	63,909	—	—	351,785
Total other reserves	66,616,508	25,190,009	(15,089,859)	—	76,716,658
Comparatives	63,383,633	22,953,413	(19,720,536)	(2)	66,616,508

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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.

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. This reserve was used during 2022/2023 to offset the cost of the Paradise Recreation Plaza upgrade.

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 2023

Note 10. Assets subject to restrictions

\$	2023	2022
<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 and financial assets		
Unexpended amounts received		
ACH Group - Book Group Sets	–	840
Age Friendly SA Grant	40,000	–
Ageism Training	–	1,818
Commonwealth Government - Queens Jubilee Planting	–	36,364
Early Childhood Community Grant	9,208	–
East Torrens Primary School - National Day of Action Against Bullying and Violence	282	282
Fourth Creek Trail - Stage 2	3,708	–
LGA Asset Mutual Fund - Sophos MTR	–	12,872
NRM Board - Avenue Road Gross Pollutant Trap	–	19,287
Paradise Recreation Plaza	1,176,358	–
Roads to Recovery	383,770	–
Science Week	–	1,671
State Bicycle Fund - Stage 1	16,806	–
State Bicycle Fund - Stage 2	67,165	–
State Government - Daly Oval Floodlighting Upgrade	–	320,000
State Government - Digital Literacy	–	8,885
State Government - Fourth Creek Trail Project	–	3,990
State Government - River Torrens Recovery	–	41,908
State Government - Thorndon Park to Reservoir Road Trail	–	40,158
Wadmore Park/Pulyonna Wirra Fire Management	2,697	–
Waste Reduction Initiative	25,512	–
Weekly Organics Pilot - Hectorville	50,520	–
Total cash and financial assets	1,776,026	488,075
Total assets subject to externally imposed restrictions	1,776,026	488,075

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2023	2022
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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 and equivalent assets	5	39,142,553	36,264,264
Balances per Statement of Cash Flows		39,142,553	36,264,264

(b) Reconciliation of change in net assets to cash from operating activities

Net surplus/(deficit)		1,809,246	6,420,158
Non-cash items in income statements			
Depreciation, amortisation and impairment		17,290,429	14,252,006
Equity movements in equity accounted investments (increase)/decrease		(43,969)	78,138
Non-cash asset acquisitions		(2,624,708)	(23,910)
Grants for capital acquisitions treated as investing activity		(2,911,658)	(5,000,855)
Net (gain)/loss on disposals		2,971,721	1,145,045
		16,491,061	16,870,582
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		584,511	(848,825)
Change in allowances for under-recovery of receivables		(5,622)	—
Net (increase)/decrease in inventories		1,109	(87)
Net (increase)/decrease in other assets		28,516	17,272
Net increase/(decrease) in trade and other payables		(1,588,548)	366,222
Net increase/(decrease) in unpaid employee benefits		236,684	104,377
Net cash provided by (or used in) operations		15,984,395	16,509,541

\$	Notes	2023	2022
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(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	2h	2,624,708	23,910
Amounts recognised in income statement		2,624,708	23,910
Total non-cash financing and investing activities		2,624,708	23,910

(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

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions/Activities										
Infrastructure Services	5,576,639	6,413,177	38,041,798	34,292,416	(32,465,159)	(27,879,239)	2,413,761	3,580,612	924,288,441	751,393,154
Corporate Services	47,192,333	43,802,852	7,107,708	5,974,672	40,084,625	37,828,180	1,751,335	1,541,400	43,290,221	41,052,135
Executive Services	233,117	161,998	3,184,439	2,258,474	(2,951,322)	(2,096,476)	25,825	10,589	1,074,579	1,116,137
Community Connections	7,084,762	6,403,401	11,879,450	10,714,523	(4,794,688)	(4,311,122)	1,149,539	1,222,142	8,878,220	8,161,454
Total Functions/Activities	60,086,851	56,781,428	60,213,395	53,240,085	(126,544)	3,541,343	5,340,460	6,354,743	977,531,461	801,722,880

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 2023

Note 12(b). Components of functions

The activities relating to Council functions are as follows:

Council implemented a restructure of its services and reporting hierarchy effective 4 October 2022. Note 12 has been presented, including comparatives, to reflect the structure in place as at 30 June 2023.

INFRASTRUCTURE, PLANNING AND SUSTAINABILITY SERVICES

Asset Management-Road Transport, Asset Management-Footpaths, Tree Maintenance and Replacement, Asset Management - Stormwater, Street Lighting, Depot Operations, Infrastructure, Planning and Sustainability Services Management, Administration Building and Hall Maintenance, Waste Services, Sport and Recreation Facilities, Parks and Reserves, Cemeteries, Environmental Control and Public Order, Policy Planning and Development Assessment, Environmental Management.

COMMUNITY CONNECTIONS

Community Services and Social Development, Youth Development, Services for Older People, Community Transport, Library Services, Leisure Services, Community Engagement, Community Connections Management.

EXECUTIVE SERVICES

Executive Services, Elected Members, Economic Development and Civic Functions.

CORPORATE SERVICES

Business and Technology Services, People and Culture, Governance, Finance, Corporate Services Management, Environmental Health.

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 4.05% and 5.74% (2022: 0.10% and 2.23%). Short term deposits have an average maturity of 76 days and an average interest rate of 4.52% (2022: 94 days and 1.38%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and 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 5.80% (2022: 5.05%). 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 2023

Note 13. Financial instruments (continued)

Receivables - fees and 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 and 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 and 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 and 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 *Property, Plant and Equipment*, 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 2023

Note 13. Financial instruments (continued)

\$	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	39,142,553	—	—	39,142,553	39,142,553
Receivables	1,985,536	—	—	1,985,536	1,984,464
Other financial assets	—	53,378	189,063	242,441	235,640
Total financial assets	41,128,089	53,378	189,063	41,370,530	41,362,657
Financial liabilities					
Payables	4,121,258	—	—	4,121,258	4,121,258
Current borrowings	6,701	—	—	6,701	6,609
Non-current borrowings	—	—	—	—	—
Lease liabilities	—	1,727	—	1,727	1,709
Total financial liabilities	4,127,959	1,727	—	4,129,686	4,129,576
Total financial assets and liabilities	45,256,048	55,105	189,063	45,500,216	45,492,233
2022					
Financial assets					
Cash and cash equivalents	36,264,264	—	—	36,264,264	36,264,264
Receivables	2,757,632	—	—	2,757,632	2,756,560
Other financial assets	—	63,538	181,161	244,699	235,895
Total financial assets	39,021,896	63,538	181,161	39,266,595	39,256,719
Financial liabilities					
Payables	4,841,662	—	—	4,841,662	4,841,662
Current borrowings	51,742	—	—	51,742	50,784
Non-current borrowings	—	—	—	—	—
Lease liabilities	—	8,429	—	8,429	8,317
Total financial liabilities	4,893,404	8,429	—	4,901,833	4,900,763
Total financial assets and liabilities	43,915,300	71,967	181,161	44,168,428	44,157,482

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 and 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 2023

Note 14. Capital Expenditure Commitments

\$	2023	2022
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	887,000	1,431,800
Infrastructure	1,332,400	1,258,300
Plant and equipment	3,140,050	2,682,150
Other	8,779,100	13,040,250
	<u>14,138,550</u>	<u>18,412,500</u>
These expenditures are payable:		
Not later than one year	14,138,550	18,412,500
	<u>14,138,550</u>	<u>18,412,500</u>

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 15. Financial indicators

	Indicator 2023	Indicators 2022	Indicators 2021
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	(0.1)%	6.1%	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	(54)%	(51)%	(53)%
<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	(1.1)%	5.1%	6.0%
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	(54)%	(51)%	(53)%
3. Asset Renewal Funding Ratio			
Asset renewals			
Infrastructure and Asset Management Plan required expenditure	150%	237%	146%
<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 2023

Note 16. Uniform presentation of finances

\$	2023	2022
<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>		
<u>Income</u>		
Rates	43,859,639	41,811,492
Statutory charges	1,299,249	1,297,906
User charges	6,628,587	5,815,675
Grants, subsidies and contributions - capital	672,824	922,767
Grants, subsidies and contributions - operating	4,667,636	5,431,976
Investment income	1,374,106	260,563
Reimbursements	722,438	470,267
Other income	862,372	770,782
Net gain - equity accounted council businesses	43,969	—
Total Income	60,130,820	56,781,428
<u>Expenses</u>		
Employee costs	15,680,505	14,183,728
Materials, contracts and other expenses	27,241,346	24,801,536
Depreciation, amortisation and impairment	17,290,429	14,252,006
Finance costs	1,115	2,815
Net loss - equity accounted council businesses	—	78,138
Total Expenses	60,213,395	53,318,223
Operating surplus / (deficit)	(82,575)	3,463,205
Timing adjustment for grant revenue	(583,813)	(614,366)
Adjusted Operating surplus / (deficit)	(666,388)	2,848,839
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(7,351,948)	(13,453,406)
Add back depreciation, amortisation and impairment	17,290,429	14,252,006
Add back proceeds from sale of replaced assets	350,704	192,355
	10,289,185	990,955
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(9,003,022)	(9,267,126)
Add back amounts received specifically for new and upgraded assets	2,238,834	5,843,958
	(6,764,188)	(3,423,168)
Annual net impact to financing activities (surplus/(deficit))	2,858,609	416,626

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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
2023		
Opening balance	60,538	60,538
Additions to right-of-use assets	—	—
Depreciation charge	(52,615)	(52,615)
Balance at 30 June	7,923	7,923
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

(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:

\$	2023	2022
Balance at 1 July	59,101	127,231
Accretion of interest	983	2,817
Payments	(51,766)	(70,947)
Balance at 30 June	8,318	59,101
Classified as:		
Current	6,609	50,784
Non-current	1,709	8,317

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

The Group had total cash outflows for leases of \$54,071.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	46,748	62,803
Interest expense on lease liabilities	983	2,885
Expense relating to leases of low-value assets	2,305	4,730
Total amount recognised in profit or loss	50,036	70,418

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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.

\$	2023	2022
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	527,848	514,275
Later than one year and not later than 5 years	200,049	531,985
More than 5 years	23,759	—
	751,656	1,046,260

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 (10.50% in 2022/23; 10.00% in 2021/22). 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 2021/22) 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 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

Council 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 2023

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	
	2023	2022	2023	2022
Council's share of net income				
Joint ventures	43,969	(78,138)	377,616	312,846
Total Council's share of net income	43,969	(78,138)	377,616	312,846

((a)i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$	Principal Activity	2023	2022
Eastern Waste Mgt Authority Inc.	Waste Collection Services	234,589	168,555
Eastern Health Authority Inc.	Environmental Health Services	143,027	144,291
Total carrying amounts - joint ventures and associates		377,616	312,846

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	
	2023	2022	2023	2022	2023	2022
Eastern Waste Mgt Authority Inc.	19.83%	19.83%	19.83%	19.83%	14.28%	14.28%
Eastern Health Authority Inc.	24.79%	26.16%	24.79%	26.16%	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 2023

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.	
	2023	2022	2023	2022
Opening Balance	168,556	241,729	144,291	142,837
Share in Operating Result	37,677	(74,561)	6,292	(3,577)
Share in Other Comprehensive Income	28,357	1,388	–	–
Adjustments to Equity	–	–	(7,556)	5,031
Council's equity share in the joint venture or associate	234,590	168,556	143,027	144,291

(d) Summarised financial information of the equity accounted business

Statement of Financial Position

Cash and Cash Equivalents	3,953,000	2,001,000	644,769	640,883
Inventory	43,000	50,000	–	–
Other Current Assets	746,000	935,000	271,901	231,080
Non-Current Assets	9,510,000	8,542,000	1,104,793	1,214,249
Total assets	14,252,000	11,528,000	2,021,463	2,086,212
Current Trade and Other Payables	1,266,000	1,436,000	121,916	133,225
Current Financial Liabilities	2,306,000	1,940,000	111,865	140,794
Current Provisions	871,000	778,000	285,083	289,466
Non-Current Financial Liabilities	8,490,000	6,410,000	881,032	961,297
Non-Current Provisions	136,000	114,000	44,614	9,860
Total liabilities	13,069,000	10,678,000	1,444,510	1,534,642
Net Assets	1,183,000	850,000	576,953	551,570

Statement of Comprehensive Income

Other Income	1,078,000	932,000	831,070	636,625
Grants, Subsidies and Contributions	–	81,000	–	–
Contributions from Constituent Councils	21,188,000	16,579,000	1,828,000	1,828,263
Interest Income	46,000	10,000	15,866	4,320
Total income	22,312,000	17,602,000	2,674,936	2,469,208
Employee Costs	7,476,000	6,386,000	1,881,592	1,750,609
Materials, Contracts & Other Expenses	12,184,000	9,303,000	571,267	516,677
Depreciation, Amortisation and Impairment	2,108,000	2,043,000	159,013	168,844
Finance Costs	354,000	246,000	37,681	46,752
Total expenses	22,122,000	17,978,000	2,649,553	2,482,882
Operating Result	190,000	(376,000)	25,383	(13,674)

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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:

\$	2023	2022
Operating Expenditures Payable		
Not later than one year	419,540	404,695
Later than 5 years	—	—
	<u>419,540</u>	<u>404,695</u>

Note 20. Non-current assets held for sale and discontinued operations

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

Note 21. Contingencies and 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 2023

Note 21. Contingencies and 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 did not have any notices of appeal against planning decisions made prior to reporting date.

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 2023, 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.

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, 31 persons (2022: 26 persons) were paid the following total compensation:

\$	2023	2022
----	------	------

The compensation paid to key management personnel comprises:

Short-term employee benefits	2,926,685	2,610,045
Total	2,926,685	2,610,045

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	8,742	8,305
Planning and Building Application Fees charged to entities controlled by close family members of KMPs	3,026	17,090
Total	11,768	25,395

Corporation of the City of Campbelltown

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 24. Equity - retained earnings and revaluation reserves adjustments

Retrospective Restatement of 2022 Comparative Data

Nature of Retrospective Restatement

Change in accounting treatment of library materials

Council has elected to change its accounting treatment of library stock and expensed all purchases of this nature effective 1 July 2022. Comparatives for 2022 has also been restated to reflect this change in accounting treatment, resulting in the reversal of depreciation and asset values previously recorded in 2022

Change in recognition of LRCIP (Local Roads and Community Infrastructure Program) grants

Council has processed adjustments to restate the recognition of grant income received in accordance with the funding agreement. This has resulted in updates to the way this income is recognised in the 2021 and 2022.

The restatements identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2021) and taking the adjustment through to accumulated surplus at that date.

Comparatives have been changed to reflect the updated balances. The impact on each line item is shown in the tables below.

Adjustments to the comparative figures for the year ended 30 June 2022

Statement of Financial Position

\$	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Accrued Revenues	1,126,450	(107,340)	1,019,110
Library Books - At Cost	799,332	(799,332)	–
Library Books - Accumulated Depreciation	(310,159)	310,159	–
Total assets	802,319,393	(596,513)	801,722,880
Payments Received in Advance	3,339,320	(769,489)	2,569,831
Total liabilities	11,897,341	(769,489)	11,127,852
Balance at the End of Previous Reporting Period	125,417,801	382,796	125,800,597
Net Surplus/(Deficit) for Year	6,629,978	(209,820)	6,420,158
Total equity	790,422,052	172,976	790,595,028

Statement of Comprehensive Income

\$	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Grants, Subsidies and Contributions - Operating	3,950,763	1,481,213	5,431,976
Total income from continuing operations	55,300,215	1,481,213	56,781,428
Materials, Contracts and Other Expenses	24,607,860	193,676	24,801,536
Depreciation, Amortisation and Impairment	14,430,896	(178,890)	14,252,006
Total expenses from continuing operations	53,303,437	14,786	53,318,223
Amounts Received Specifically for New or Upgraded Assets	5,754,335	(1,676,247)	4,078,088
Operating result from discontinued operations	4,633,200	(1,676,247)	2,956,953
Net operating result for the year	6,629,978	(209,820)	6,420,158

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Independent Auditor's Report

To the members of the Campbelltown City Council

Opinion

We have audited the accompanying financial report of the Campbelltown City Council (the Council), which comprises the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's Responsibility for the Financial Report

The 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 to be 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 relating 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 Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the 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 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 Council.
- Conclude on the appropriateness of the 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.

DEAN NEWBERY



SAMANTHA CRETEN

Director

23 November 2023

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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CAMPBELLTOWN CITY COUNCIL

Opinion

In our opinion, the Campbelltown City Council (the Council) has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating 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 2022 to 30 June 2023.

Basis for opinion

We have audited the Internal Controls of the Council under 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 2022 to 30 June 2023 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, the 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 applying Auditing Standard *ASQC 1 Quality Control for Firms that Perform Audits and Review of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking the assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) 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.

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 operating effectiveness of 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.

DEAN NEWBERY



SAMANTHA CRETEN

Director

23 November 2023

Corporation of the City of Campbelltown

General Purpose Financial Statements

for the year ended 30 June 2023

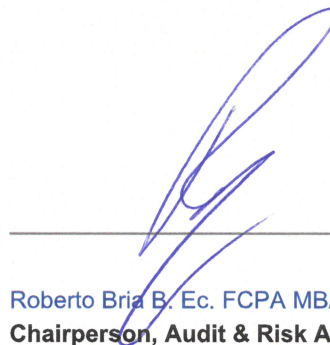
Certification of Auditor Independence

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 2023, the Council's Auditor, Dean Newbery, 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 & Risk Advisory Committee

Date: 9 November 2023

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Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Campbelltown City Council for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, 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*.



SAMANTHA CRETEN

Director

DEAN NEWBERY

23 November 2023