

# City of West Torrens

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

---



## General Purpose Financial Statements

for the year ended 30 June 2023

---

Contents	Page
<b>Council certificate</b>	<b>2</b>
<b>Understanding Council's Financial Statements</b>	<b>3</b>
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
<b>Notes to and forming part of the Financial Statements</b>	<b>8</b>
<b>Independent Auditor's Report – Financial Statements</b>	<b>53</b>
<b>Independent Auditor's Report – Internal Controls</b>	<b>54</b>
<b>Certificates of Audit Independence</b>	
Council Certificate of Audit Independence	55
Audit Certificate of Audit Independence	56

# City of West Torrens

## General Purpose Financial Statements

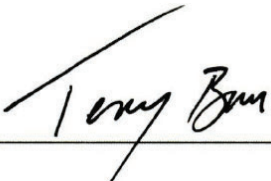
for the year ended 30 June 2023

### Certification of Financial Statements

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

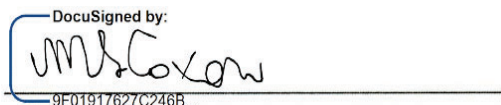
**In our opinion:**

- 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.



**Terry Buss PSM**  
**Chief Executive Officer**

14 November 2023



DocuSigned by:  
Michael Coxon  
9F01917627C246B...

**Michael Coxon**  
**Mayor**

14 November 2023

## General Purpose Financial Statements

for the year ended 30 June 2023

## Understanding Council's Financial Statements

---

### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true and fair view" of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. **A Statement of Comprehensive Income**  
A summary of Council's financial performance for the year, listing all income & expenses.
2. **A Statement of Financial Position**  
A 30 June snapshot of Council's financial position including its assets & liabilities.
3. **A Statement of Changes in Equity**  
The overall change for the year (in dollars) of Council's "net wealth".
4. **A Statement of Cash Flows**  
Indicates where Council's cash came from and where it was spent.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

## Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Income</b>			
Rates	2a	64,922	62,413
Statutory charges	2b	2,153	2,198
User charges	2c	1,851	1,586
Grants, subsidies and contributions - capital	2g	—	1,033
Grants, subsidies and contributions - operating	2g	4,424	5,195
Investment income	2d	933	6
Reimbursements	2e	450	319
Other income	2f	154	110
Net gain - equity accounted council businesses	19(a)	25	—
<b>Total income</b>		<b>74,912</b>	<b>72,860</b>
<b>Expenses</b>			
Employee costs	3a	23,251	22,644
Materials, contracts and other expenses	3b	29,630	27,836
Depreciation, amortisation and impairment	3c	17,279	16,091
Finance costs	3d	976	1,017
Net loss - equity accounted council businesses	19(a)	—	66
<b>Total expenses</b>		<b>71,136</b>	<b>67,654</b>
<b>Operating surplus / (deficit)</b>		<b>3,776</b>	<b>5,206</b>
Physical resources received free of charge	2i	—	39
Asset disposal and fair value adjustments	4	(3,240)	238
Amounts received specifically for new or upgraded assets	2g	649	3,514
<b>Net surplus / (deficit)</b>		<b>1,185</b>	<b>8,997</b>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in revaluation surplus - I,PP&E	9a	30,827	27,421
Share of other comprehensive income - equity accounted council businesses	19	(166)	1,093
<b>Total amounts which will not be reclassified subsequently to operating result</b>		<b>30,661</b>	<b>28,514</b>
<b>Total other comprehensive income</b>		<b>30,661</b>	<b>28,514</b>
<b>Total comprehensive income</b>		<b>31,846</b>	<b>37,511</b>

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

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	5a	16,627	23,708
Trade and other receivables	5b	5,791	5,382
Other financial assets	5c	1,679	1,556
Inventories	5d	21	28
<b>Total current assets</b>		<b>24,118</b>	<b>30,674</b>
<b>Non-current assets</b>			
Trade and other receivables	6a	249	250
Equity accounted investments in council businesses	6b	18,166	17,232
Other non-current assets	6c	12,544	9,344
Infrastructure, property, plant and equipment	7	854,698	821,271
<b>Total non-current assets</b>		<b>885,657</b>	<b>848,097</b>
<b>TOTAL ASSETS</b>		<b>909,775</b>	<b>878,771</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8a	17,687	17,435
Borrowings	8b	1,953	1,878
Provisions	8c	5,329	5,332
<b>Total current liabilities</b>		<b>24,969</b>	<b>24,645</b>
<b>Non-current liabilities</b>			
Borrowings	8b	31,275	32,465
Provisions	8c	229	252
<b>Total non-current liabilities</b>		<b>31,504</b>	<b>32,717</b>
<b>TOTAL LIABILITIES</b>		<b>56,473</b>	<b>57,362</b>
<b>Net assets</b>		<b>853,302</b>	<b>821,409</b>
<b>EQUITY</b>			
Accumulated surplus		110,367	118,145
Asset revaluation reserves	9a	692,340	661,513
Other reserves	9b	50,595	41,751
<b>Total council equity</b>		<b>853,302</b>	<b>821,409</b>
<b>Total equity</b>		<b>853,302</b>	<b>821,409</b>

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

## Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2023</b>					
Balance at the end of previous reporting period		118,145	661,513	41,751	821,409
Net surplus / (deficit) for year		1,185	—	—	1,185
<b>Other comprehensive income</b>					
Share of OCI - equity accounted council businesses		(166)	79	—	(87)
Other movements		252	—	—	252
- Gain (Loss) on Revaluation of I,PP&E	7a	—	30,748	—	30,748
IPP&E impairment (expense) / recoupments offset to ARR	7a	—	—	—	—
Transfer to accumulated surplus on sale of I,PP&E	9a	—	—	—	—
Other equity adjustments - equity accounted council businesses	19	(205)	—	—	(205)
<b>Other comprehensive income</b>		<b>(119)</b>	<b>30,827</b>	<b>—</b>	<b>30,708</b>
<b>Total comprehensive income</b>		<b>1,066</b>	<b>30,827</b>	<b>—</b>	<b>31,893</b>
Transfers between reserves		(8,844)	—	8,844	—
<b>Balance at the end of period</b>		<b>110,367</b>	<b>692,340</b>	<b>50,595</b>	<b>853,302</b>
<b>2022</b>					
Balance at the end of previous reporting period		121,199	637,692	23,308	782,199
Net surplus / (deficit) for year		8,997	—	—	8,997
<b>Other comprehensive income</b>					
Share of OCI - equity accounted council businesses		1,093	63	—	1,156
Other movements		210	—	—	210
- Gain (Loss) on Revaluation of I,PP&E	7a	—	27,358	—	27,358
IPP&E impairment (expense) / recoupments offset to ARR	7a	—	—	—	—
Transfer to accumulated surplus on sale of I,PP&E	9a	3,600	(3,600)	—	—
Other equity adjustments - equity accounted council businesses	19	1,489	—	—	1,489
<b>Other comprehensive income</b>		<b>6,392</b>	<b>23,821</b>	<b>—</b>	<b>30,213</b>
<b>Total comprehensive income</b>		<b>15,389</b>	<b>23,821</b>	<b>—</b>	<b>39,210</b>
Transfers between reserves		(18,443)	—	18,443	—
<b>Balance at the end of period</b>		<b>118,145</b>	<b>661,513</b>	<b>41,751</b>	<b>821,409</b>

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

## Statement of Cash Flows

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates receipts		64,814	62,936
Statutory charges		2,153	2,417
User charges		1,851	1,744
Grants, Subsidies and Contributions (operating purpose)		4,419	4,671
Investment receipts		933	6
Reimbursements		450	350
Other receipts		5,704	3,943
<u>Payments</u>			
Payments to employees		(23,290)	(22,302)
Payments for materials, contracts and other expenses		(35,238)	(25,536)
Finance payments		(976)	(1,017)
<b>Net cash provided by (or used in) operating activities</b>	11b	<b>20,820</b>	<b>27,212</b>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Grants utilised for capital purposes		–	1,033
Amounts received specifically for new or upgraded assets		649	3,514
Sale of replaced assets		298	–
Sale of surplus assets		–	4,472
Net disposal of investment securities		–	128
Distributions Received from Equity Accounted Council Businesses		25	2,589
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(11,171)	(9,984)
Expenditure on new/upgraded assets		(14,749)	(9,325)
Net purchase of investment securities		(123)	–
Loans made to community groups		–	(263)
Capital contributed to equity accounted Council businesses		(934)	(4,539)
<b>Net cash provided (or used in) investing activities</b>		<b>(26,005)</b>	<b>(12,375)</b>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from bonds and deposits		–	1
<u>Payments</u>			
Repayments of Borrowings		(1,531)	(1,482)
Repayment of lease liabilities		(360)	(329)
Repayment of bonds and deposits		(5)	–
<b>Net cash provided by (or used in) financing activities</b>		<b>(1,896)</b>	<b>(1,810)</b>
<b>Net increase (decrease) in cash held</b>		<b>(7,081)</b>	<b>13,027</b>
plus: cash & cash equivalents at beginning of period		23,708	10,681
<b>Cash and cash equivalents held at end of period</b>	11a	<b>16,627</b>	<b>23,708</b>

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



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

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

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	16
3	Expenses	19
4	Asset disposal and fair value adjustments	20
5	Current assets	21
6	Non-current assets	22
7	Infrastructure, Property, Plant & Equipment	23
8	Liabilities	27
9	Reserves	28
10	Assets subject to restrictions	29
11	Reconciliation to Statement of Cash Flows	29
12(a)	Functions	31
12(b)	Components of functions	32
13	Financial instruments	33
14	Capital Expenditure	37
15	Financial indicators	38
16	Uniform presentation of finances	41
17	Leases	42
18	Superannuation	44
19	Interests in other entities	45
20	Contingencies and assets/liabilities not recognised in the balance sheet	47
21	Events after the balance sheet date	47
22	Related party transactions	47
23	Retrospective Restatement of Comparative Data	48
24	Mendelson Foundation	52

## 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* dated 21 November 2023

##### 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 thousand dollars (\$'000).

#### (2) The local government reporting entity

City of West Torrens is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 165 Sir Donald Bradman Drive. 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.

The principal activity and entity conducted, other than in the Council's own name that has been included in this consolidated financial statement is Max and Bette Mendelson Foundation. The Max and Bette Mendelson foundation is a charitable fund established under a Deed of Charitable Trust, and it is dedicated in perpetuity to the promotion and encouragement of education in conjunction with South Australian universities. Foundation funds were bequeathed to the City of West Torrens as the legal Trustee under the terms of the Trust Deed. Given the Max and Bette Mendelson Foundation is a charitable trust, no profits are distributed to beneficiaries and are retained in Equity of the Statement of Financial Position.

Other entities in which Council has an interest but does not control are reported in Note 19.

#### (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.

## 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:

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$2,655,441	\$991,628	+\$1,663,813
2018/19	\$1,623,252	\$2,174,183	- \$550,931
2019/20	\$1,950,066	\$1,904,919	+\$45,147
2020/21	\$2,329,087	\$1,274,249	+\$1,054,838
2021/22	\$2,707,793	\$2,013,310	+\$694,483
2022/23	\$2,857,730	\$2,114,595	+\$743,135

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

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.

Max & Bette Mendelson Foundation Investment Portfolio comprises listed securities and managed funds that are principally held for long-term income yields. Investment Portfolio is carried at fair value and is administered and reported by BT Panorama which is part of the Westpac Group. Annual changes in the fair value of Investment Portfolio are recorded in the "Market Movement on Investments" as part of Investment Income.

FMD Financial Pty Ltd / FMD Advisory Services Pty Ltd (AFSL No. 232977) is the investment adviser to the Mendelson Foundation and investments decisions are governed by the Mendelson Foundation Investment Policy (last updated March 2022).

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

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

#### (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.

#### (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 annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000
Buildings	\$10,000
Infrastructure	\$10,000

##### 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. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed. 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.

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

Furniture, Equipment and Fittings	2 to 50 years
Plant & Equipment	2 to 30 years

##### *Building & Other Structures*

Buildings and Components	10 to 100 years
Other Structures	10 to 100 years

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

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

#### Infrastructure

Land Improvements including Park and Other Structures	10 to 80 years
Sealed Roads – Surface	15 to 50 years
Sealed Roads – Structure	55 to 80 years
Other Transport	10 to 70 years
Footpaths, Kerb, Gutter and Cycle Tracks	10 to 80 years
Stormwater	25 to 100 years
Glenelg to Adelaide Pipeline	50 years
Bridges	35 to 100 years

#### Other Assets

Artworks	80 to 100 years
----------	-----------------

### 6.5 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use). 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 after the month of invoice. No interest is payable on these amounts.

### 7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

## (8) Borrowings

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

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

## 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) Employee benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted avg. discount rate 4.09% (2022, 0.10%)

Where an Award has a payout clause on termination there has been a accrual made for peronal leave using government guaranteed securities rates. Where there is no payout clause on termination no accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. 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	3 to 5 years
Land	0 to 48 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

##### ii) Lease Liabilities

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

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

The Council applies the short-term lease recognition exemption to its short-term leases of machinery 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

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

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

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 and set out in detail in Note 19.

Council reviewed the Equity Accounting in 2022-23 and reinstatement of equity for 2021-22 has occurred. Refer to Reinstatement Note for full details.

#### (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.

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

##### 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 NFP annual reporting periods beginning on or after 1 January 2024

- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback.* (This Standard makes amendments to *AASB 16 Leases*, February 2016. These amendments arise from the issuance of International Financial Reporting Standard Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) by the International Accounting Standards Board (IASB) in September 2022)
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (This Standard makes amendments to *AASB 13 Fair Value Measurement*, August 2015 for application by not-for profit public sector)

##### Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector

- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector.* (This Standard amends *AASB 17 Insurance Contracts*, July 2017 and *AASB 1050 Administered Items*, December 2007 to include modifications related to the application of *AASB 17* by public sector entities. This Standard also amends the following Standards to remove the temporary consequential amendments set out in *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* since *AASB 4 Insurance Contracts*, August 2015 and *AASB 1023 General Insurance Contracts*, July 2004 do not apply to public sector entities for periods beginning on or after 1 July 2026: *AASB 1 First-time Adoption of Australian Accounting Standards*, July 2015, *AASB 3 Business Combinations*, August 2015, *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, August 2015, *AASB 7 Financial Instruments: Disclosures*, August 2015, *AASB 9 Financial Instruments*, December 2014, *AASB 15 Revenue from Contracts with Customers*, December 2014, *AASB 119 Employee Benefits*, August 2015, *AASB 132 Financial Instruments: Presentation*, August 2015, *AASB 136 Impairment of Assets*, August 2015, *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*, August 2015, *AASB 138 Intangible Assets*, August 2015, *AASB 1057 Application of Australian Accounting Standards*, July 2015, *AASB 1058 Income of Not-for-Profit Entities*, December 2016)

#### (14) Comparative figures

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

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

---

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

There have been adjustments to 2022 to reflect changes in accounting treatment for Local Roads and Community Infrastructure grant funding, the prepayment of rates income received and equity accounting for Brownhill Keswick Creek Stormwater Board.

A change in accounting treatment for derecognition of infrastructure assets have also been made in 2023. The profit or loss of derecognising infrastructure assets is recognized in other comprehensive income instead of revaluation reserve.

This is as a result of updating accounting treatment as per the 2023 South Australian Model Financial Statements.

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

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



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 2. Income

\$ '000	2023	2022
<b>(a) Rates</b>		
<b>General rates</b>		
General rates	64,135	61,632
Less: mandatory rebates	(1,027)	(1,024)
Less: discretionary rebates, remissions and write-offs	(65)	(51)
<b>Total general rates</b>	<b>63,043</b>	<b>60,557</b>
<b>Other rates (including service charges)</b>		
Landscape levy	1,620	1,612
<b>Total other rates (including service charges)</b>	<b>1,620</b>	<b>1,612</b>
<b>Other charges</b>		
Penalties for late payment	186	165
Legal and other costs recovered	90	98
<b>Total other charges</b>	<b>276</b>	<b>263</b>
<b>Less: discretionary rebates, remissions and write-offs</b>		
Less: discretionary rebates, remissions and write-offs	(17)	(19)
<b>Total less: discretionary rebates, remissions and write-offs</b>	<b>(17)</b>	<b>(19)</b>
<b>Total rates</b>	<b>64,922</b>	<b>62,413</b>
<b>(b) Statutory charges</b>		
Development Act fees	881	945
Animal registration fees and fines	431	407
Parking fines / expiation fees	743	756
Environmental control fines	4	1
Other licences, fees and fines	39	44
Sundry	55	45
<b>Total statutory charges</b>	<b>2,153</b>	<b>2,198</b>
<b>(c) User charges</b>		
Hall and equipment hire	240	157
Property lease	1,292	1,049
Subsidies received on behalf of users	56	5
Waste royalties	30	74
Employee Contributions	135	144
Home Assistance	11	107
Sundry	87	50
<b>Total user charges</b>	<b>1,851</b>	<b>1,586</b>

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

### Note 2. Income (continued)

\$ '000	2023	2022
<b>(d) Investment income</b>		
Interest on investments		
- Local Government Finance Authority	751	125
- Banks and other	36	–
Market movement on investments	68	(213)
Dividend income including franking credits	78	94
<b><u>Total investment income</u></b>	<b><u>933</u></b>	<b><u>6</u></b>
<b>(e) Reimbursements</b>		
Private works	43	40
Electricity & Gas	188	103
Insurance	28	28
Rates & Taxes	164	133
Employee Costs	3	4
Other	24	11
<b><u>Total reimbursements</u></b>	<b><u>450</u></b>	<b><u>319</u></b>
<b>(f) Other income</b>		
Insurance and other recoupments - infrastructure, property, plant and equipment	25	10
Fuel Tax Credits	29	32
Mendelson Scholarships	15	20
Sundry	85	48
<b><u>Total other income</u></b>	<b><u>154</u></b>	<b><u>110</u></b>
<b>(g) Grants, subsidies and contributions</b>		
Amounts received specifically for new or upgraded assets	649	3,514
<b>Total</b>	<b><u>649</u></b>	<b><u>3,514</u></b>
<b>Other grants, subsidies and contributions - capital</b>		
Untied - Local roads and community	–	1,033
<b>Total Other grants, subsidies and contributions - capital</b>	<b><u>–</u></b>	<b><u>1,033</u></b>
<b>Other grants, subsidies and contributions</b>		
Other grants, subsidies and contributions	1,391	1,846
Untied - Financial Assistance Grant	1,968	1,753
Roads to Recovery	617	617
Home and Community Care Grant	–	535
Library and communications	448	444
<b>Total other grants, subsidies and contributions</b>	<b><u>4,424</u></b>	<b><u>5,195</u></b>
<b><u>Total grants, subsidies and contributions</u></b>	<b><u>5,073</u></b>	<b><u>9,742</u></b>

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 2. Income (continued)

\$ '000	2023	2022
<b>(i) Sources of grants</b>		
Commonwealth Government	990	5,125
State Government	3,359	3,864
Other	724	753
<b>Total</b>	<b>5,073</b>	<b>9,742</b>

### (h) Conditions over grants and contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

<b>Unexpended at the close of the previous reporting period</b>	<b>261</b>	<b>1,055</b>
<b>Less:</b>		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Other Environment	—	—
Parks & Gardens	—	—
Roads Sealed	—	(398)
Other Community Amenities	(261)	(657)
<b>Subtotal</b>	<b>(261)</b>	<b>(1,055)</b>
<b>Plus:</b>		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Community Support	—	6
Cultural Services	—	5
Library Services	—	12
Transport & Communications	1,102	—
Council Administration	1,563	—
Other Environment	—	133
Public Order & Safety	—	20
Waste Management	—	85
Other Community Amenities	280	—
<b>Subtotal</b>	<b>2,945</b>	<b>261</b>
<b>Unexpended at the close of this reporting period</b>	<b>2,945</b>	<b>261</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>	<b>2,684</b>	<b>(794)</b>

### (i) Physical resources received free of charge

Roads, bridges and footpaths	—	39
<b>Total physical resources received free of charge</b>	<b>—</b>	<b>39</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 3. Expenses

\$ '000	Notes	2023	2022
<b>(a) Employee costs</b>			
Salaries and wages		20,539	20,168
Employee leave expense		494	544
Superannuation - plan contributions	18	2,004	1,926
Workers' compensation insurance		664	624
Other employee related costs		506	407
Less: capitalised and distributed costs		(956)	(1,025)
<b>Total operating employee costs</b>		<b>23,251</b>	<b>22,644</b>
Total number of employees (full time equivalent at end of reporting period)		199	209
<b>(b) Materials, contracts and other expenses</b>			
<b>(i) Prescribed expenses</b>			
Auditor's remuneration			
- Auditing the financial reports		21	27
Bad and doubtful debts		6	-
Elected members' expenses		477	494
Other		-	7
<b>Subtotal - prescribed expenses</b>		<b>504</b>	<b>528</b>
<b>(ii) Other materials, contracts and expenses</b>			
Contractors		14,327	13,396
Energy		809	637
Individually significant items		293	290
Maintenance		600	404
Legal expenses		465	420
Levies paid to Government - NRM levy		1,620	1,595
Levies - other		222	225
Parts, accessories and consumables		666	577
Professional services		1,931	1,261
Materials		963	1,826
Insurance		1,218	873
Street lighting		750	717
Printing, Postage & Stationery		366	317
Advertising & Marketing		206	154
Software, Licensing & Maintenance		1,366	1,297
Water Rates		547	605
Memberships & Subscriptions		364	315
Partnership and Community Grants		387	340
Sundry		2,026	2,059
<b>Subtotal - Other material, contracts and expenses</b>		<b>29,126</b>	<b>27,308</b>
<b>Total materials, contracts and other expenses</b>		<b>29,630</b>	<b>27,836</b>
<b>(iii) Individually significant items</b>			
Library Resources		293	290

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

### Note 3. Expenses (continued)

\$ '000	2023	2022
<b>(c) Depreciation, amortisation and impairment</b>		
<b>(i) Depreciation and amortisation</b>		
Land improvements	1,695	1,392
Buildings and other structures	2,999	2,920
Infrastructure		
- Sealed roads	5,392	5,132
- Kerb & Guttering	2,030	1,766
- Stormwater drainage	1,681	1,478
- Other Transport	71	59
- Footways / Cycle Tracks	1,189	1,157
- Glenelg to Adelaide Pipeline	55	48
- Bridges	138	126
Right-of-use assets	470	436
Plant and equipment	1,047	1,015
Furniture and fittings	512	562
<b>Subtotal</b>	<b>17,279</b>	<b>16,091</b>
<b>Total depreciation, amortisation and impairment</b>	<b>17,279</b>	<b>16,091</b>
<b>(d) Finance costs</b>		
Interest on loans	728	777
Interest on Leased Assets	248	240
<b>Total finance costs</b>	<b>976</b>	<b>1,017</b>

### Note 4. Asset disposal and fair value adjustments

\$ '000	2023	2022
<b>Infrastructure, property, plant and equipment</b>		
<b>(i) Assets renewed or directly replaced</b>		
Proceeds from disposal	298	4,472
Less: carrying amount of assets sold	(3,538)	(4,234)
<b>Gain (loss) on disposal</b>	<b>(3,240)</b>	<b>238</b>
<b>Net gain (loss) on disposal or revaluation of assets</b>	<b>(3,240)</b>	<b>238</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 5. Current assets

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
<b>(a) Cash and cash equivalent assets</b>		
Cash on hand and at bank	345	283
Deposits at call	16,278	23,420
Investment - Mendelson	4	5
<b><u>Total cash and cash equivalent assets</u></b>	<b><u>16,627</u></b>	<b><u>23,708</u></b>
<b>(b) Trade and other receivables</b>		
Rates - general and other	1,459	1,348
Council rates postponement scheme	23	26
Accrued revenues	121	65
Debtors - general	3,251	3,552
Other levels of government - operating	62	57
GST recoupment	853	321
Prepayments	8	—
Loans to community organisations	14	13
<b><u>Subtotal</u></b>	<b><u>5,791</u></b>	<b><u>5,382</u></b>
<b><u>Total trade and other receivables</u></b>	<b><u>5,791</u></b>	<b><u>5,382</u></b>
<b>(c) Other financial assets</b>		
Shares in Listed Companies - Mendelson Foundation	1,679	1,556
<b><u>Total other financial assets (investments)</u></b>	<b><u>1,679</u></b>	<b><u>1,556</u></b>
<b>(d) Inventories</b>		
Stores and materials	21	28
<b><u>Total inventories</u></b>	<b><u>21</u></b>	<b><u>28</u></b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 6. Non-current assets

\$ '000	Notes	2023	2022
(a) Trade and other receivables			
<b>Receivables</b>			
Loans to community organisations		249	250
<b>Total receivables</b>		<u>249</u>	<u>250</u>
<u>Total financial assets</u>		<u>249</u>	<u>250</u>
(b) Equity accounted investments in council businesses			
Brownhill Keswick Creek Stormwater Project	19	18,166	17,232
<u>Total equity accounted investments in Council businesses</u>		<u>18,166</u>	<u>17,232</u>
(c) Other non-current assets			
Capital work in progress		12,544	9,344
<u>Total other non-current assets</u>		<u>12,544</u>	<u>9,344</u>

## 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

\$ '000	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)	WIP Transfers	Donated assets	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - community	3	207,240	—	—	207,240	—	—	—	—	—	—	—	—	207,240	—	—	207,240
Land - other	2	48,970	—	—	48,970	—	—	—	—	—	—	—	—	48,970	—	—	48,970
Land improvements	3	38,574	—	(8,056)	30,518	2,966	212	(293)	(1,695)	1,272	—	—	2,022	45,098	—	(10,097)	35,001
Buildings and other structures	2	147,716	—	(73,865)	73,851	673	109	(110)	(2,844)	1,494	—	—	—	119,997	18,124	(64,948)	73,173
Buildings and other structures	3	28,812	—	(20,048)	8,764	191	—	—	(155)	33	—	—	—	39,417	1,061	(31,645)	8,833
Infrastructure																	
- Sealed roads		277,265	—	(128,960)	148,305	273	3,741	(516)	(5,392)	582	—	—	8,740	296,611	—	(140,878)	155,733
- Kerb & Guttering		142,616	—	(20,779)	121,837	286	3,467	(1,347)	(2,030)	—	—	—	14,589	161,614	—	(24,812)	136,802
- Stormwater drainage		155,004	—	(70,598)	84,406	3,453	5	(300)	(1,681)	182	—	—	10,317	178,077	—	(81,695)	96,382
- Other Transport		3,508	—	(540)	2,968	330	—	—	(71)	—	—	—	202	4,080	—	(651)	3,429
- Footways / Cycle Tracks		81,614	—	(18,060)	63,554	428	1,041	(652)	(1,189)	—	—	(6,097)	—	89,657	—	(32,572)	57,085
- Glenelg to Adelaide Pipeline		2,739	—	(481)	2,258	—	—	—	(55)	—	—	—	372	3,201	—	(627)	2,574
- Bridges		12,821	—	(3,853)	8,968	288	—	(93)	(138)	—	—	—	603	13,705	—	(4,076)	9,629
Right-of-use assets		10,788	—	—	10,788	—	776	—	(470)	—	—	—	—	11,094	—	—	11,094
Plant and equipment		—	11,867	(5,093)	6,774	—	1,242	(227)	(1,047)	—	—	—	—	—	12,490	(5,748)	6,742
Furniture and fittings		—	9,894	(7,824)	2,070	24	408	—	(512)	21	—	—	—	—	10,055	(8,044)	2,011
<b>Total infrastructure, property, plant and equipment</b>		<b>1,157,667</b>	<b>21,761</b>	<b>(358,157)</b>	<b>821,271</b>	<b>8,912</b>	<b>11,001</b>	<b>(3,538)</b>	<b>(17,279)</b>	<b>3,584</b>	<b>—</b>	<b>(6,097)</b>	<b>36,845</b>	<b>1,218,761</b>	<b>41,730</b>	<b>(405,793)</b>	<b>854,698</b>
Comparatives		1,099,580	21,195	(329,981)	790,794	6,069	9,262	(314)	(16,091)	3,353	39	(6,097)	33,455	1,157,667	21,761	(358,157)	821,271



## 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 and investment property

##### 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 7(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### 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.

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

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

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

##### 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

All of Council's non financial assets are considered as being utilised for their highest and best use.

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

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

---

#### 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 Improvements

Land Improvements including car parks, playgrounds and open space assets are valued at cost and indexed each year following for CPI increases.

#### Land

Land (including Community Land) is valued at written down replacement cost. Independent valuations of land were determined at 30 June 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd. The next scheduled valuation is due to be undertaken in FY 2023/24.

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

#### Buildings & Other Structures

Buildings and other structures assets were valued using the market or current replacement cost approach with the most recent valuation conducted during the reporting period ended 30 June 2019 by Mitch Ekonomopoulos, AAPI, Certified Practising Valuer, of AssetVal Pty Ltd.

Acquisitions subsequent to the most recent valuation have been measured at cost. The next scheduled valuation is due to be undertaken in FY 2023/24.

#### Infrastructure

##### **Roads**

Unit rate valuations are conducted annually through a combination of relevant tendered, contractor rates and Rawlinsons Australia Construction Handbook 2023. The most recent valuation was conducted as at 30 June 2023. This methodology has been consistent with the previous year's methodology that has been audited by Asset Engineering. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.

A targeted, independent condition audit was undertaken by Steve Walker, BEng (Civil) of Asset Engineering in FY 2019/20. The next condition audit is scheduled for 30 June 2024.

##### **Kerbs & Guttering**

Unit rate valuations are conducted annually through a combination of relevant tendered, contractor rates and Rawlinsons Australia Construction Handbook 2023. The most recent valuation was conducted as at 30 June 2023. This methodology has been consistent with the previous year's methodology that has been audited by Steve Walker, BEng (Civil) of Asset Engineering. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.

A targeted, independent condition audit was undertaken by Steve Walker, BEng (Civil) of Asset Engineering in FY 2019/20. The next condition audit is scheduled for 30 June 2024.

##### **Stormwater Drainage & GAP**

Unit rate valuations are conducted annually through a combination of relevant tendered, contractor rates and Rawlinsons Australia Construction Handbook 2023. The most recent valuation was conducted as at 30 June 2023. This methodology has been consistent with the previous year's methodology that has been audited by Steve Walker, BEng (Civil) of Asset Engineering. Depreciable Replacement Cost is based on asset age.

Independent condition audits are conducted annually, targeting assets nearing end of life and those impacted by road reconstruction.

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

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

---

#### ***Other Transport***

Asset is valued at cost and indexed each year following for CPI increases.

#### ***Footways / Cycle Tracks***

Unit rate valuations are conducted annually through a combination of relevant tendered, contractor rates and Rawlinsons Australia Construction Handbook 2023. The most recent valuation was conducted as at 30 June 2023. This methodology has been consistent with previous years methodology that has been audited by Steve Walker, BEng (Civil) of Asset Engineering. Alternatively where unit rate application is not applicable asset is valued at cost and indexed each year following for CPI increases.

Independent footpath condition audit were determined on the 30 June 2023 by Michael Stanford, B Eng, Director of Sproutt & Odyssey SOS. The next scheduled network condition audit is scheduled for FY 2026/27.

#### ***Bridges***

Bridge assets are revalued periodically by independent valuer. The most recent valuation was completed during the period ended 30 June 2020 by Paul Allen, B Eng, Certified Practising Engineer, of Kellogg Brown & Root. The next scheduled valuation is scheduled for FY 2024/25. Bridges are then valued at written down replacement costs and subject to annual CPI increases for each year following.

#### **Plant & Equipment**

Council has elected to recognise these assets on the cost basis.

#### **All other Assets**

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 8. Liabilities

\$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
<b>(a) Trade and other payables</b>				
Goods and services	4,498	—	4,017	—
Payments received in advance	11,835	—	11,514	—
Accrued expenses - employee entitlements	860	—	873	—
Accrued expenses - other	446	—	978	—
Deposits, retentions and bonds	48	—	53	—
<b><u>Total trade and other payables</u></b>	<b><u>17,687</u></b>	<b><u>—</u></b>	<b><u>17,435</u></b>	<b><u>—</u></b>

### (b) Borrowings

Loans	1,581	20,116	1,531	21,697
Lease liabilities	372	11,159	347	10,768
<b><u>Total Borrowings</u></b>	<b><u>1,953</u></b>	<b><u>31,275</u></b>	<b><u>1,878</u></b>	<b><u>32,465</u></b>

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

### (c) Provisions

Employee entitlements (including oncosts)	5,329	229	5,332	252
<b><u>Total provisions</u></b>	<b><u>5,329</u></b>	<b><u>229</u></b>	<b><u>5,332</u></b>	<b><u>252</u></b>

## 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
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
<b>(a) Asset revaluation reserve</b>					
Land - community	242,187	—	—	—	242,187
Land - other	14,976	—	—	—	14,976
Land improvements	3,977	2,022	—	—	5,999
Buildings and other structures	38,501	—	—	—	38,501
Infrastructure					
- Sealed roads	226,636	8,740	—	—	235,376
- Kerb & Guttering	1,643	14,589	—	—	16,232
- Stormwater drainage	58,357	10,317	—	—	68,674
- Other Transport	349	202	—	—	551
- Footways / Cycle Tracks	67,129	(6,097)	—	—	61,032
- Glenelg to Adelaide Pipeline	571	372	—	—	943
- Bridges	6,718	603	—	—	7,321
Plant and equipment	411	—	—	—	411
Furniture and fittings	(5)	—	—	—	(5)
JV's / associates - other comprehensive income	63	79	—	—	142
<b>Total asset revaluation reserve</b>	<b>661,513</b>	<b>30,827</b>	<b>—</b>	<b>—</b>	<b>692,340</b>
Comparatives	637,692	27,421	(3,600)	—	661,513

	as at 30/06/22				as at 30/06/23
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
<b>(b) Other reserves</b>					
Development Reserve	3,290	—	—	—	3,290
Committed Expenditure Reserve	38,447	8,847	—	—	47,294
Urban Tree Fund Reserve	14	—	(3)	—	11
<b>Total other reserves</b>	<b>41,751</b>	<b>8,847</b>	<b>(3)</b>	<b>—</b>	<b>50,595</b>
Comparatives	23,308	18,443	—	—	41,751

### Purposes of reserves

#### Asset revaluation reserves

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

#### Development Reserve

The development reserve largely holds funds from the sale of assets and is used for developmental purposes.

#### Committed Expenditure Reserve

The committed expenditure reserve holds unspent funds being carried forward to 2022/23 for capital and operational purposes.

#### Urban Tree Fund Reserve

The Urban Tree Fund reserve is maintain or plant trees which will constitute significant trees under the Development Act.

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

### Note 10. Assets subject to restrictions

\$ '000	2023	2022
---------	------	------

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.

#### Cash and financial assets

Mendelson Foundation	1,590	1,518
<b>Total cash and financial assets</b>	<b>1,590</b>	<b>1,518</b>
<b>Total assets subject to externally imposed restrictions</b>	<b>1,590</b>	<b>1,518</b>

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

\$ '000	Notes	2023	2022
---------	-------	------	------

#### (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	16,627	23,708
<b>Balances per Statement of Cash Flows</b>		<b>16,627</b>	<b>23,708</b>

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

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

\$ '000	2023	2022
<b>(b) Reconciliation of change in net assets to cash from operating activities</b>		
<b>Net surplus/(deficit)</b>	1,185	8,997
<b>Non-cash items in income statements</b>		
Depreciation, amortisation and impairment	17,279	16,091
Equity movements in equity accounted investments (increase)/decrease	(25)	266
Non-cash asset acquisitions	–	(39)
Grants for capital acquisitions treated as investing activity	(689)	(5,580)
Net (gain)/loss on disposals	3,240	(238)
	<b>20,990</b>	<b>19,497</b>
<b>Add (less): changes in net current assets</b>		
Net (increase)/decrease in receivables	(408)	116
Net (increase)/decrease in inventories	7	(10)
Net increase/(decrease) in trade and other payables	257	1,921
Net increase/(decrease) in unpaid employee benefits	(26)	178
Net increase/(decrease) in other liabilities	–	5,510
<b>Net cash provided by (or used in) operations</b>	<b>20,820</b>	<b>27,212</b>

### (c) Non-cash financing and investing activities

#### Acquisition of assets by means of:

Physical resources received free of charge	2i	–	39
Amounts recognised in income statement		–	39
<b>Total non-cash financing and investing activities</b>		–	39

### (d) Financing arrangements

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

Corporate credit cards	88	97
LGFA cash advance debenture facility	20,000	20,000

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

## 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).

\$ '000	2023	INCOME 2022	2023	EXPENSES 2022	OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
					2023	2022	2023	2022	2023	2022
Functions/Activities										
Business Undertakings	24	34	—	—	24	34	—	2	5,586	39,506
- Public Order & Safety	—	—	337	287	(337)	(287)	—	20	400	435
Community Services										
- Health Services	56	5	370	349	(314)	(344)	—	23	9	12
- Community Support	28	122	3,113	3,369	(3,085)	(3,247)	—	805	43,149	40,374
- Community Amenities	62	55	468	410	(406)	(355)	—	—	3,030	2,759
Culture										
- Library services	30	27	4,063	3,936	(4,033)	(3,909)	463	456	5,722	5,872
- Cultural services	243	192	1,981	1,810	(1,738)	(1,618)	100	5	17,319	16,844
Economic Development	—	—	742	662	(742)	(662)	—	—	—	—
Environment										
- Waste Management	115	144	8,308	7,894	(8,193)	(7,750)	—	85	38,021	35,974
- Other Environment	1,631	1,636	10,842	10,574	(9,211)	(8,938)	40	133	133,783	96,530
Recreation	227	158	8,737	8,071	(8,510)	(7,913)	7	—	232,859	229,047
Regulatory Services	2,154	2,199	5,306	5,221	(3,152)	(3,022)	—	—	236	240
Transport & Communication	1	3	14,899	14,269	(14,898)	(14,266)	1,846	1,911	366,020	348,793
Plant Hire & Depot/Indirect	691	565	20	17	671	548	—	—	31,011	31,172
Unclassified Activities	—	—	—	—	—	—	—	—	—	—
Council Administration	65,226	63,008	11,950	10,687	53,276	52,321	1,968	1,755	32,630	31,213
Total Functions/Activities	70,488	68,148	71,136	67,556	(648)	592	4,424	5,195	909,775	878,771

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.



## 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:

#### Community services

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

#### Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

#### Economic development

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

#### Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

#### Recreation

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, and Other Recreation.

#### Regulatory services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

#### Transport

Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

#### Council administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

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

### 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:**

There were no fixed term deposits held during 2022/23.

**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 0.48% (2022: 0.42%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - fees 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.

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

### Note 13. Financial instruments (continued)

---

**Terms and conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying amount:**

Approximates fair value.

**Liabilities - interest bearing borrowings****Accounting Policy:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable; interest is charged at fixed rates of 2.78% and 3.80% (2022: 2.78% and 3.80%). No CAD drawdown.

**Carrying Amount:**

Approximates fair value.

**Liabilities - leases****Accounting policy:**

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

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

### Note 13. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial assets and liabilities</b>					
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	16,627	—	—	16,627	16,627
Receivables	3,635	—	—	3,635	3,635
Other financial assets	19,845	—	—	19,845	19,845
<b>Total financial assets</b>	<b>40,107</b>	<b>—</b>	<b>—</b>	<b>40,107</b>	<b>40,107</b>
<b>Financial liabilities</b>					
Payables	5,852	—	—	5,852	5,852
Current borrowings	2,273	—	—	2,273	1,581
Non-current borrowings	—	9,092	14,797	23,889	20,116
Lease liabilities	612	2,382	11,781	14,775	11,531
<b>Total financial liabilities</b>	<b>8,737</b>	<b>11,474</b>	<b>26,578</b>	<b>46,789</b>	<b>39,080</b>
<b>Total financial assets and liabilities</b>	<b>48,844</b>	<b>11,474</b>	<b>26,578</b>	<b>86,896</b>	<b>79,187</b>
<b>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	23,708	—	—	23,708	23,708
Receivables	3,880	—	—	3,880	3,880
Other financial assets	18,788	—	—	18,788	18,788
<b>Total financial assets</b>	<b>46,376</b>	<b>—</b>	<b>—</b>	<b>46,376</b>	<b>46,376</b>
<b>Financial liabilities</b>					
Payables	5,921	—	—	5,921	5,921
Current borrowings	2,273	—	—	2,273	1,531
Non-current borrowings	—	10,892	15,270	26,162	21,697
Lease liabilities	579	2,605	11,193	14,377	11,115
<b>Total financial liabilities</b>	<b>8,773</b>	<b>13,497</b>	<b>26,463</b>	<b>48,733</b>	<b>40,264</b>
<b>Total financial assets and liabilities</b>	<b>55,149</b>	<b>13,497</b>	<b>26,463</b>	<b>95,109</b>	<b>86,640</b>

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

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	2.88%	33,228	2.91%	34,343
		<b>33,228</b>		<b>34,343</b>

#### Net fair value

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

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

### Note 13. Financial instruments (continued)

---

#### 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.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 14. Capital Expenditure

\$ '000	2023	2022
<b>Capital commitments</b>		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Land	580	290
Buildings	11,713	4,444
Infrastructure	16,010	16,499
Plant and equipment	1,775	742
Other	5,876	13,444
	<b>35,954</b>	<b>35,419</b>
<b>These expenditures are payable:</b>		
Not later than one year	35,954	35,419
	<b>35,954</b>	<b>35,419</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 15. Financial indicators

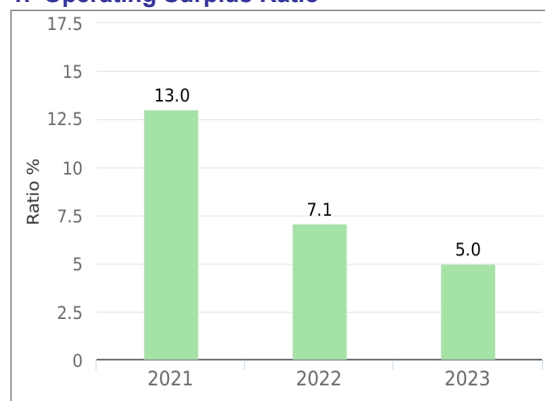
	Indicator 2023	Indicators 2022	Indicators 2021
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
<b>1. Operating Surplus Ratio</b>			
Operating surplus			
Total operating income	<b>5.0%</b>	7.1%	13.0%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
<b>Adjusted Operating Surplus Ratio</b>			
Operating surplus			
Total operating income	<b>1.9%</b>	5.7%	12.1%
<b>2. Net Financial Liabilities Ratio</b>			
Net financial liabilities			
Total operating income	<b>43%</b>	36%	46%
<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>			
<b>Adjusted Net Financial Liabilities Ratio</b>			
Net financial liabilities			
Total operating income	<b>44%</b>	37%	47%
<b>Adjustments to Ratios</b>			
<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>			
<b>Net Financial Liabilities Ratio - Adjusted for Leases</b>			
Net Financial Liabilities Excluding Lease Liabilities			
Total Operating Income	<b>28%</b>	20%	0%
<i>Net Financial Liabilities are defined as total liabilities (excluding Lease Liabilities) less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
<b>3. Asset Renewal Funding Ratio</b>			
Asset renewals			
Infrastructure and Asset Management Plan required expenditure	<b>86%</b>	59%	93%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

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

### Note 15. Financial indicators (continued)

#### Financial indicators - graphs

##### 1. Operating Surplus Ratio



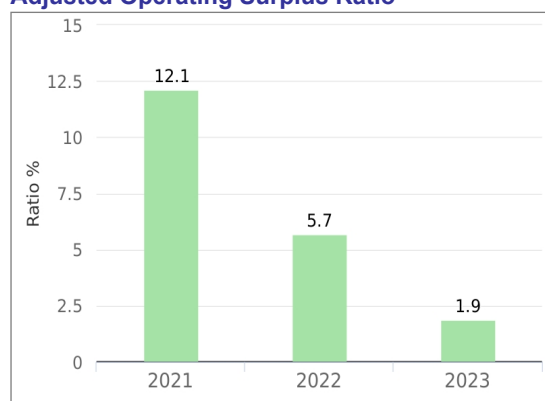
##### Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

##### Commentary on 2022/23 result

2022/23 ratio 5.0%

##### Adjusted Operating Surplus Ratio



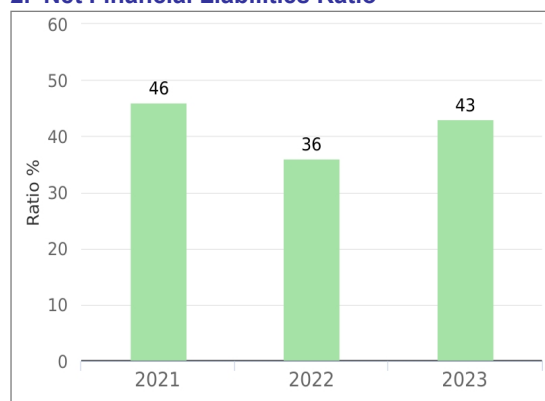
##### Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

##### Commentary on 2022/23 result

2022/23 ratio 1.9%

##### 2. Net Financial Liabilities Ratio



##### Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

##### Commentary on 2022/23 result

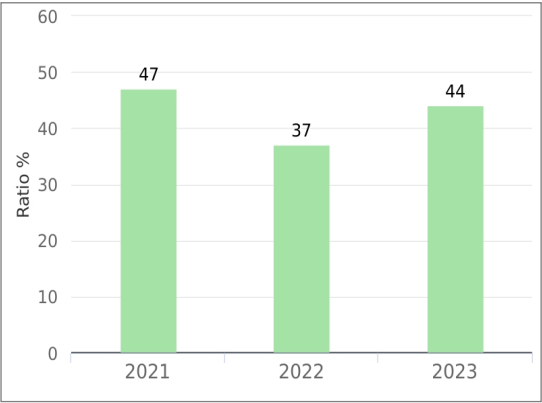
2022/23 ratio 43%



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

Note 15. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio



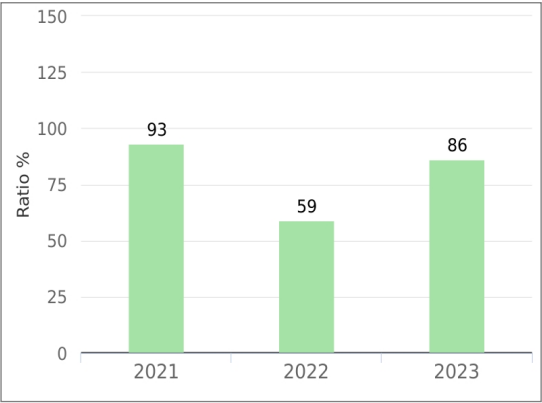
Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2022/23 result

2022/23 ratio 44%

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2022/23 result

2022/23 ratio 86%

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 16. Uniform presentation of finances

\$ '000	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	64,922	62,413
Statutory charges	2,153	2,198
User charges	1,851	1,586
Grants, subsidies and contributions - capital	–	1,033
Grants, subsidies and contributions - operating	4,424	5,195
Investment income	933	6
Reimbursements	450	319
Other income	154	110
Net gain - equity accounted council businesses	25	–
<b>Total Income</b>	<b>74,912</b>	<b>72,860</b>
<u>Expenses</u>		
Employee costs	23,251	22,644
Materials, contracts and other expenses	29,630	27,836
Depreciation, amortisation and impairment	17,279	16,091
Finance costs	976	1,017
Net loss - equity accounted council businesses	–	66
<b>Total Expenses</b>	<b>71,136</b>	<b>67,654</b>
<b>Operating surplus / (deficit)</b>	<b>3,776</b>	<b>5,206</b>
<b>Adjusted Operating surplus / (deficit)</b>	<b>3,776</b>	<b>5,206</b>
<b>Net outlays on existing assets</b>		
Capital expenditure on renewal and replacement of existing assets	(11,171)	(9,984)
Add back depreciation, amortisation and impairment	17,279	16,091
Add back proceeds from sale of replaced assets	298	–
	<b>6,406</b>	<b>6,107</b>
<b>Net outlays on new and upgraded assets</b>		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(14,749)	(9,325)
Add back amounts received specifically for new and upgraded assets	649	3,514
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	–	4,472
	<b>(14,100)</b>	<b>(1,339)</b>
<b>Annual net impact to financing activities (surplus/(deficit))</b>	<b>(3,918)</b>	<b>9,974</b>

## 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

**Asset class here**

Right of use assets are inclusive of our depot land and plant and equipment.

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

\$ '000	Land	Plant & Equipment	Total
<b>2023</b>			
Opening balance	10,712	76	10,788
Transfer from leased assets (former finance leases)	—	—	—
Additions to right-of-use assets	—	—	—
Adjustments to right-of-use assets due to re-measurement of lease liability	776	—	776
Depreciation charge	(442)	(28)	(470)
Impairment of right-of-use assets	—	—	—
Other	—	—	—
<b>Balance at 30 June</b>	<b>11,046</b>	<b>48</b>	<b>11,094</b>
<b>2022</b>			
Opening balance	10,740	17	10,757
Transfer from leased assets (former finance leases)	—	—	—
Additions to right-of-use assets	—	83	83
Adjustments to right-of-use assets due to re-measurement of lease liability	384	—	384
Depreciation charge	(412)	(24)	(436)
Impairment of right-of-use assets	—	—	—
Other	—	—	—
<b>Balance at 30 June</b>	<b>10,712</b>	<b>76</b>	<b>10,788</b>

## (b) Lease liabilities

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

\$ '000	2023	2022
Adoption of AASB 16 at 1 July 2019	11,115	10,978
Re-measurement of Liability	776	384
Additions	—	83
Accretion of interest	248	240
Payments	(608)	(570)
Other	—	—
<b>Balance at 30 June</b>	<b>11,531</b>	<b>11,115</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 17. Leases (continued)

\$ '000	2023	2022
<b>Classified as:</b>		
Current	372	347
Non-current	11,159	10,768

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

The Group had total cash outflows for leases of \$535,130.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	470	436
Interest expense on lease liabilities	248	240
Expense relating to short term leases	—	—
Expense relating to leases of low-value assets	—	—
Variable lease payments	—	—
Other	—	—
<b>Total amount recognised in profit or loss</b>	<b>718</b>	<b>676</b>

#### (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.

#### Investment property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

\$ '000	2023	2022
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	1,026	1,095
Later than one year and not later than 5 years	1,531	1,911
Later than 5 years	197	231
	<b>2,754</b>	<b>3,237</b>

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

### Note 18. Superannuation

---

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and 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 3.2% 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 Willie Towers Watson as at 30 April 2022. 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.

Superannuation contributions paid by council for 12 months to 30 June 2023 totalled \$2,003,521 (2021/22 \$1,925,537).

## 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.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2023	2022	2023	2022
<b>Council's share of net income</b>				
Joint ventures	25	(66)	18,166	17,232
<b>Total Council's share of net income</b>	<b>25</b>	<b>(66)</b>	<b>18,166</b>	<b>17,232</b>

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

##### (a) Carrying amounts

\$ '000	Principal Activity	2023	2022
Brownhill and Keswick Creek Stormwater Board	Flood Mitigation	18,166	17,232
<b>Total carrying amounts - joint ventures and associates</b>		<b>18,166</b>	<b>17,232</b>

##### **Brownhill and Keswick Creek Stormwater Board**

During the 2017/18 financial year, the Brown Hill and Keswick Creeks Stormwater Board (the 'Regional Subsidiary') was established and City of West Torrens has 49% Equitable Interest and 20% Operating Expenses Interest in this.

The Board has been established to implement or oversee the construction of stormwater infrastructure for the purpose of implementation of the Brown Hill and Keswick Creeks Stormwater Management Plan (the Plan); oversee the maintenance and repair and /or renewal of stormwater infrastructure; oversee implementation of associated or related infrastructure works; hold stormwater infrastructure; implement other non infrastructure measures; provide a forum for the discussion and consideration of the constituent council's obligations and responsibilities under the Plan; and enter into agreements with constituent councils for the purpose of managing the Plan.

Other constituent councils include City of Adelaide, City of Burnside, City of Unley, and City of Mitcham.

##### (b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2023	2022	2023	2022	2023	2022
Brownhill and Keswick Creek Stormwater Board	20.00%	20.00%	49.00%	49.00%	20.00%	20.00%

##### (c) Movement in investment in joint venture or associate

\$ '000	Brownhill and Keswick Creek Stormwater Board	
	2023	2022
Opening Balance	17,232	12,693
Share in Operating Result	25	(66)
Share in Other Comprehensive Income	(166)	1,093
New Capital Contributions	1,201	1,960
Adjustments to Equity	(203)	1,489
Asset Revaluation Movement	79	63
<b>Council's equity share in the joint venture or associate</b>	<b>18,168</b>	<b>17,232</b>

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

### Note 19. Interests in other entities (continued)

#### (d) Summarised financial information of the equity accounted business

\$ '000	Brownhill and Keswick Creek Stormwater Board	
	2023	2022
<b>Statement of Financial Position</b>		
Cash and Cash Equivalents	10,151	9,503
Other Current Assets	296	441
Non-Current Assets	30,669	25,786
<b>Total assets</b>	<b>41,116</b>	<b>35,730</b>
Current Trade and Other Payables	4,001	537
Current Provisions	31	25
<b>Total liabilities</b>	<b>4,032</b>	<b>562</b>
<b>Net Assets</b>	<b>37,084</b>	<b>35,168</b>
<b>Statement of Comprehensive Income</b>		
Other Income	162	129
Contributions from Constituent Councils	668	486
Interest Income	349	60
Capital Funding/Grants	586	5,464
<b>Total income</b>	<b>1,765</b>	<b>6,139</b>
Employee Costs	370	317
Materials, Contracts & Other Expenses	327	472
Depreciation, Amortisation and Impairment	194	86
<b>Total expenses</b>	<b>891</b>	<b>875</b>
Other Revenue / Expense Items	(1,417)	–
<b>Operating Result</b>	<b>(543)</b>	<b>5,264</b>

#### (e) Share of joint operations expenditure commitments

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

\$ '000	2023	2022
<b>(i) Capital expenditures payable</b>		
Not later than one year	8,803	1,920
Later than one year and not later than 5 years	–	–
Later than 5 years	–	–
	<b>8,803</b>	<b>1,920</b>

#### (f). Transactions with Council

Aggregate amount of transactions with Council		
- receipts from Council	1,201	1,962

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

### Note 20. Contingencies and assets/liabilities not recognised in the balance sheet

Council has no contingencies nor any assets or liabilities not recognised in the Statement of Financial Position. There are also no liability, contingent or otherwise in the opinion of the Directors and the Board of Brown Hill & Keswick Creeks Storm Water Board as at 30 June 2023 (30 June 2022 : None).

### Note 21. 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.

Accordingly, the "authorised for issue" date is 10/10/23.

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

In August 2023 Council has received Notice of Acquisition documents from the Department for Infrastructure and Transport for a portion of Kings Reserve, Torrensville. This portion includes Thebarton Community Centre. There is no effect for the 2022/23 financial year however it is expected to impact 2023/24. Excluding the acquisition event outlined above Council is not aware of any further "non adjusting events" that merit disclosure.

### Note 22. Related party transactions

#### Key management personnel

##### Transactions with key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 24 persons were paid the following total compensation:

\$ '000	2023	2022
<b>The compensation paid to key management personnel comprises:</b>		
Short-term employee benefits	1,099	1,181
Post-employment benefits	91	97
Elected Members	443	438
Mendelson Committee	10	10
<b>Total</b>	<b>1,643</b>	<b>1,726</b>

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



## City of West Torrens

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

## Note 23. Retrospective Restatement of Comparative Data

Review of accounting treatments for the recognition of the prepayment of rates, the Local Roads and Community Infrastructure grant funding and equity accounting for Council businesses (Brownhill Keswick Creek Stormwater Management Board) has lead to a change in those accounting treatments that were originally used for the 2022 General Purpose Financial Statements.

A reduction in income of \$2,018 and an increase in expenditure of \$66 has been recognised in the 2022 Financial Year. Comparative information which has adjusted the Net Surplus of \$11,081 to a Surplus of \$8,997. The impact of the correction to prior period information was as follows:

**Statement of Comprehensive Income  
for the year ended 30 June 2022**

		Audited 2022 \$'000	Adjustments	Updated 2022 \$'000
	Notes			
<b>Income</b>				
Rates	2a	62,875	(462)	62,413
Statutory Charges	2b	2,198	-	2,198
User Charges	2c	1,586	-	1,586
Grants, subsidies and contributions - Capital	2g	-	1,033	1,033
Grants, subsidies and contributions - Operating	2g	5,195	-	5,195
Investment Income	2d	6	-	6
Reimbursements	2e	319	-	319
Other Income	2f	110	-	110
Net Gain - Equity Accounted Council Businesses	19(a)	2,589	(2,589)	-
<b>Total Income</b>		<b>74,878</b>	<b>- 2,018</b>	<b>72,860</b>
<b>Expenses</b>				
Employee Costs	3a	22,644	-	22,644
Materials, Contracts and Other Expenses	3b	27,836	-	27,836
Depreciation, Amortisation and Impairment	3c	16,091	-	16,091
Finance Costs	3d	1,017	-	1,017
Net Loss - Equity Accounted Council Businesses	19(a)	-	66	66
<b>Total Expenses</b>		<b>67,588</b>	<b>66</b>	<b>67,654</b>
<b>Operating Surplus / (Deficit)</b>		<b>7,290</b>	<b>(2,084)</b>	<b>5,206</b>
Physical Resources Received Free of Charge	2i	39	-	39
Asset disposal and fair value adjustment	4	238	-	238
Amounts received specifically for new or upgraded assets	2g	3,514	-	3,514
<b>Net Surplus / (Deficit)</b>		<b>11,081</b>	<b>(2,084)</b>	<b>8,997</b>
<b>Other Comprehensive income</b>				
<b>Amounts which will not be reclassified subsequently to operating result</b>				
Changes in Revaluation Surplus - I,PP&E	19a	27,358	63	27,421
Share of Comprehensive income - Equity Accounted Council Businesses	19	200	893	1,093
<b>Total amounts which will not be reclassified subsequently to operating result</b>		<b>27,558</b>	<b>956</b>	<b>28,514</b>
<b>Total Other Comprehensive Income</b>		<b>27,558</b>	<b>956</b>	<b>28,514</b>
<b>Total Comprehensive income</b>		<b>38,639</b>	<b>(1,128)</b>	<b>37,511</b>

## City of West Torrens

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

## Note 23. Retrospective Restatement of Comparative Data

Statement of Financial Position  
as at 30 June 2022

	Audited 2022 \$'000	Adjustments	Updated 2022 \$'000
Notes			
<b>TOTAL ASSETS</b>	<b>878,771</b>	<b>-</b>	<b>878,771</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade & Other Payables	6,145	11,290	17,435
Borrowings	1,878	-	1,878
Provisions	5,332	-	5,332
Other Current Liabilities	11,861	(11,861)	-
<b>Total Current Liabilities</b>	<b>25,216</b>	<b>(571)</b>	<b>24,645</b>
<b>Non-Current Liabilities</b>			
Borrowings	32,465	-	32,465
Provisions	252	-	252
<b>Total Non-Current Liabilities</b>	<b>32,717</b>	<b>-</b>	<b>32,717</b>
<b>TOTAL LIABILITIES</b>	<b>57,933</b>	<b>- 571</b>	<b>57,362</b>
<b><u>Net Assets</u></b>	<b>820,838</b>	<b>571</b>	<b>821,409</b>
<b>EQUITY</b>			
Accumulated Surplus	117,447	698	118,145
Asset Revaluation Reserve	661,650	(137)	661,513
Other Reserves	41,741	10	41,751
<b>Total Council Equity</b>	<b>820,838</b>	<b>571</b>	<b>821,409</b>
<b><u>Total Equity</u></b>	<b>820,838</b>	<b>571</b>	<b>821,409</b>

## City of West Torrens

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

## Note 23. Retrospective Restatement of Comparative Data

Statement of Changes in Equity  
for the year ended 30 June 2022

		Audited			
	Notes	Acc'd Surplus \$'000	Asset Revaluation reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2022</b>					
Balance at end of previous reporting period		121,199	637,692	23,308	782,199
<b>Net Surplus / (Deficit) for Year</b>		11,081	-	-	11,081
<b>Other Comprehensive Income</b>		3,600	23,758	200	27,558
<b>Transfers between Reserves</b>		(18,433)	200	18,233	-
<b>Balance at end of period</b>	9	117,447	661,650	41,741	820,838

		Updated			
		Acc'd Surplus \$'000	Asset Revaluation reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2022</b>					
Balance at end of previous reporting period		121,199	637,692	23,308	782,199
<b>Net Surplus / (Deficit) for Year</b>		8,997	-	-	8,997
<b>Other Comprehensive Income</b>		6,392	23,821		30,213
<b>Transfers between Reserves</b>		(18,443)	-	18,443	-
<b>Balance at end of period</b>	9	118,145	661,513	41,751	821,409

## City of West Torrens

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

## Note 23. Retrospective Restatement of Comparative Data

**Note 15 - Financial Indicators  
for the year ended 30 June 2022**

	Audited		Updated	
<b>Operating Surplus Ratio</b>				
Operating Surplus	<u>7,290</u>	9.7%	<u>5,206</u>	7.1%
Operating Result	74,878		72,860	
<b>Adjusted Operating Surplus Ratio</b>				
Operating Surplus	<u>6,226</u>	8.3%	<u>4,142</u>	5.7%
Operating Result	74,878		72,860	
<b>Net Financial Liabilities Ratio</b>				
Net Financial Liabilities	<u>27,037</u>	36.1%	<u>26,466</u>	36.3%
Total Operating Income	74,878		72,860	
<b>Adjusted Net Financial Liabilities Ratio</b>				
Net Financial Liabilities	<u>27,037</u>	36.6%	<u>26,466</u>	36.9%
Total Operating Income	73,814		71,796	
<b>Asset Renewal Funding Ratio</b>				
Asset Renewals	<u>9,984</u>	59.1%	<u>9,984</u>	59.1%
Infrastructure & Asset Management Plan required expenditure	16,880		16,880	

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 24. Mendelson Foundation

\$ '000	2023	2022
<p>The Max and Bette Mendelson Foundation is a charitable fund established in 1996 under a Deed of Charitable Trust, and it is dedicated in perpetuity to the promotion and encouragement of education in conjunction with South Australian universities. Foundation funds were bequeathed to the City of West Torrens under the terms of the Trust Deed.</p>		
<b>Statement of Comprehensive Income - Mendelson Foundation</b>		
<b>Operating Income</b>		
Dividend Income including Franking Credits	78	94
Fair Value Movement on Financial Assets	68	(213)
Council Contribution	15	20
<b>Total Operating Income</b>	<b>161</b>	<b>(99)</b>
<b>Operating Expenses</b>		
Scholarships	52	48
Fund Management	20	22
Member Emoluments	17	19
<b>Total Operating Expenses</b>	<b>89</b>	<b>89</b>
<b>Operating Surplus / (Deficit)</b>	<b>72</b>	<b>(188)</b>
<b>Net Surplus / (Deficit)</b>	<b>72</b>	<b>(188)</b>
<b>Statement of Financial Position - Mendelson Foundation</b>		
<b>Assets</b>		
Cash & Cash Equivalents	4	5
Trade & Other Receivables	63	57
Units in Managed Funds	576	649
Shares in Listed Companies	1,103	907
<b>Total Assets</b>	<b>1,746</b>	<b>1,618</b>
<b>Liabilities</b>		
Current Liabilities	156	100
Non Current Liabilities	—	—
<b>Total Liabilities</b>	<b>156</b>	<b>100</b>
<b>Net Assets</b>	<b>1,590</b>	<b>1,518</b>

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 48 007 865 081

## Independent Auditor's Report

### To the members of the City of West Torrens

## Opinion

We have audited the accompanying financial report of the City of West Torrens (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**

A handwritten signature in black ink, appearing to read 'S. Creten', with a large loop at the start and several smaller loops and strokes extending to the right.

**SAMANTHA CRETEN**  
Director

**15 November 2023**

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 48 007 865 081

## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF WEST TORRENS

### Opinion

In our opinion, the City of West Torrens (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

**15 November 2023**

## City of West Torrens

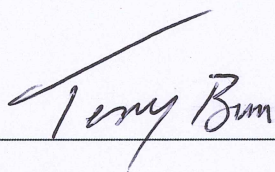
### General Purpose Financial Statements for the year ended 30 June 2023

---

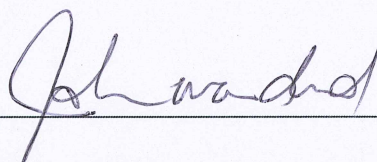
#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of West Torrens for the year ended 30 June 2023, the Council's Auditor, Dean & Newbery Pty Ltd. 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*.



Terry Buss PSM  
Chief Executive Officer



John Woodward  
Presiding Member, Audit Committee

Date: 14 November 2023

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 48 007 865 081

## Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of West Torrens 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**

15 November 2023