



NOTICE

of

CHIEF EXECUTIVE OFFICER REVIEW COMMITTEE MEETING

*Pursuant to the provisions of Section 84(1) of the
Local Government Act 1999*

TO BE HELD IN

**COMMITTEE ROOM
PLAYFORD CIVIC CENTRE
10 PLAYFORD BOULEVARD, ELIZABETH**

MEMBERS MAY PARTICIPATE BY ELECTRONIC MEANS

ON

MONDAY, 13 NOVEMBER 2023 AT 5:30PM

A handwritten signature in blue ink, appearing to read "S Green".

**SAM GREEN
CHIEF EXECUTIVE OFFICER**

Issue Date: Thursday, 9 November 2023

MEMBERSHIP

MAYOR GLENN DOCHERTY – PRESIDING MEMBER

Cr Marilyn Baker

Cr Peter Rentoulis

Cr Gay Smallwood-Smith

City of Playford
Chief Executive Officer Review Committee Meeting

AGENDA
MONDAY, 13 NOVEMBER 2023 AT 5:30PM

ACKNOWLEDGEMENT OF COUNTRY

We would like to acknowledge that this land we meet on today is the traditional land of the Kaurna people, and that we respect their spiritual relationship with their country. The City of Playford would also like to pay respects to Elders past, present and emerging.

1 ATTENDANCE RECORD

- 1.1 Present
- 1.2 Apologies
- 1.3 Not Present

2 CONFIRMATION OF MINUTES

RECOMMENDATION

The Minutes of the Chief Executive Officer Review Committee Meeting held 14 August 2023 be confirmed as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

4 DEPUTATION / REPRESENTATIONS

Nil

5 STAFF REPORTS

Matters to be considered by the Committee Only

Matters for Information

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MATTERS TO BE CONSIDERED BY THE COMMITTEE ONLY

Matters for Information

5.1 2022/23 FINANCIAL STATEMENTS

Responsible Executive Manager : Elena Casciano

Report Author : Elena Casciano

Delegated Authority : Matters for Information.

Attachments :

- 1 [↓](#). Audited Financial Statements 2022/23
- 2 [↓](#). Audit Completion Report
- 3 [↓](#). Report on Financial Results 2022/23

Purpose

For the Committee to note the 2022/23 audited financial statements that were adopted by Council following the completion of the Chief Executive Officer's performance assessment for 2022/23.

STAFF RECOMMENDATION

The Committee notes that Council adopted the 2022/23 Financial Statements at the Ordinary Council Meeting held on 24th October 2023, following the completion of the Chief Executive Officer's 2022/23 performance assessment.

Relevance to Strategic Plan

The 2022/23 Financial Statements provide transparent financial reporting to demonstrate to our community that money is being used wisely and that Council is delivering on its Finance Strategy of long-term financial sustainability.

The efficient and effective process of ensuring a performance review process is in place for the Chief Executive Officer ensures that the Strategic Plan can continue to be delivered.

Relevance to Community Engagement Policy

Council is not required to consult with the community regarding the 2022/23 Financial Statements.

Background

The Chief Executive Officers Key Performance Indicators for 2022/23 include:

Destination One | Ensure that our decisions and actions take a staged, planned and consistent approach taking into account the community's expectations of happiness, liveability and prosperity as guided by Playford 2043.

One of the key outcomes and measures contained within Destination One is:

Outcome | Preparation of a budget aligned to Council's Finance Strategy.

Measure | Demonstrated ability to deliver the intent of the budget whilst navigating the external financial environment.

Destination Two | Council's service delivery profile is aligned to the community's need and wants.

One of the key outcomes and measures contained within Destination Two is:

Outcome | Analyse and review service standards to ensure alignment to deliver the greatest customer value.

Measure | To maintain a rolling 5 year average, with an aim that the score should be equal to or higher than the rolling average.

Destination Three | All employees feel engaged and connected to the work of the organisation, to each other and the community

One of the key outcomes and measures contained within Destination Three is:

Outcome | The 'Foundation Principles' underpin the work we do and how we behave.

Measure | Regular pulse survey, 2-year rolling trend.

Destination Four | The business is managed in a financially responsible way that delivers value for community investment.

One of the key outcomes and measures contained within Destination Four is:

Outcome | Responsible financial management.

Measure | Budget; achieve or exceed approved budget within the control of the Administration. Maintain service levels in the delivery of the budget. Final budget analysis check post external audit.

Current Situation

Given the timing of the Chief Executive Officer's annual performance assessment, audited financial statements are not available to the Committee at the time they consider the CEO's performance.

As the KPI's for 2022/23 contain multiple outcomes and measures related to Council's finances, it is prudent for the Committee to note the adopted financial statements.

Council's performance against key financial indicators for the year ended 30 June 2023 demonstrates sound financial performance, asset sustainability and responsible debt management.

Future Action

Given the audited Financial Statements will not be available for the annual Chief Executive Officer performance assessment each year, it is proposed to continue to present the audited Financial Statements to the Committee to acknowledge once they become available. This will enable the Committee to assess the Chief Executive Officer's delivery of financial KPI's against the audited Financial Statements in the future.



City of Playford

General Purpose Financial Statements

For the year ended 30 June 2023

City of Playford

Financial Statements 2023

General Purpose Financial Statements
for the year ended 30 June 2023

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City of Playford

Financial Statements 2023

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.

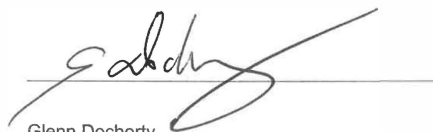
In our opinion:

- 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.



Sam Green
Chief Executive Officer

24 October 2023



Glenn Docherty
Mayor

24 October 2023

City of Playford

Financial Statements 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

| | Notes | 2023 \$ '000 | 2022 \$ '000 |
|--|--------|-----------------|-----------------|
| Income | | | |
| Rates | 2a | 91,750 | 86,346 |
| Statutory charges | 2b | 3,169 | 2,852 |
| User charges | 2c | 3,881 | 3,929 |
| Grants, subsidies and contributions - capital | 2g | 8,675 | 8,140 |
| Grants, subsidies and contributions - operating | 2g | 24,012 | 21,010 |
| Investment income | 2d | 56 | 10 |
| Reimbursements | 2e | 1,094 | 905 |
| Other income | 2f | 710 | 205 |
| Net gain - equity accounted council businesses | 19(a)i | — | 842 |
| Total income | | 133,347 | 124,239 |
| Expenses | | | |
| Employee costs | 3a | 42,828 | 41,719 |
| Materials, contracts and other expenses | 3b | 41,243 | 37,507 |
| Depreciation, amortisation and impairment | 3c | 28,029 | 25,537 |
| Finance costs | 3d | 3,895 | 3,847 |
| Net loss - equity accounted council businesses | 19(a)i | 303 | 77 |
| Total expenses | | 116,298 | 108,687 |
| Operating surplus / (deficit) | | 17,049 | 15,552 |
| Physical resources received free of charge | 2h | 21,571 | 48,511 |
| Asset disposal and fair value adjustments | 4 | 1,612 | (4,769) |
| Amounts received specifically for new or upgraded assets | 2g | 5,220 | 2,516 |
| Net surplus / (deficit) | | 45,452 | 61,810 |
| Other comprehensive income | | | |
| Amounts which will not be reclassified subsequently to operating result | | | |
| Changes in revaluation surplus - I,PP&E | 9a | 88,266 | 215,794 |
| Share of other comprehensive income - equity accounted council businesses | 19 | 125 | — |
| Impairment (expense) / recoupments offset to asset revaluation reserve | 9a | 524 | (689) |
| Other Equity Adjustments - Equity Accounted Council Businesses | 19(a)i | (403) | 29 |
| Total amounts which will not be reclassified subsequently to operating result | | 88,512 | 215,134 |
| Total other comprehensive income | | 88,512 | 215,134 |
| Total comprehensive income | | 133,964 | 276,944 |

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

City of Playford

Financial Statements 2023

Statement of Financial Position

as at 30 June 2023

| | Notes | 2023 \$ '000 | 2022 \$ '000 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalent assets | 5a | 15,403 | 1,818 |
| Trade and other receivables | 5b | 13,924 | 6,403 |
| Other financial assets | 5c | 24 | 23 |
| Inventories | 5d | 254 | 192 |
| Other current assets | 5e | 897 | 757 |
| Non-current assets held for sale | 20 | 362 | 5,156 |
| Total current assets | | 30,864 | 14,349 |
| Non-current assets | | | |
| Financial Assets | 6a | 248 | 273 |
| Equity accounted investments in council businesses | 6b | 10,178 | 10,759 |
| Other non-current assets | 6c | 31,754 | 12,726 |
| Infrastructure, property, plant and equipment | 7 | 1,620,697 | 1,527,134 |
| Total non-current assets | | 1,662,877 | 1,550,892 |
| TOTAL ASSETS | | 1,693,741 | 1,565,241 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8a | 20,581 | 20,575 |
| Borrowings | 8b | 6,531 | 6,314 |
| Provisions | 8c | 6,268 | 6,429 |
| Total current liabilities | | 33,380 | 33,318 |
| Non-current liabilities | | | |
| Borrowings | 8b | 94,722 | 100,269 |
| Provisions | 8c | 1,290 | 1,269 |
| Total non-current liabilities | | 96,012 | 101,538 |
| TOTAL LIABILITIES | | 129,392 | 134,856 |
| Net assets | | 1,564,349 | 1,430,385 |
| EQUITY | | | |
| Accumulated surplus | | 447,720 | 415,270 |
| Asset revaluation reserves | 9a | 1,100,688 | 1,001,855 |
| Other reserves | 9b | 15,941 | 13,260 |
| Total council equity | | 1,564,349 | 1,430,385 |
| Total equity | | 1,564,349 | 1,430,385 |

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

City of Playford

Financial Statements 2023

Statement of Changes in Equity
for the year ended 30 June 2023

| \$ '000 | Notes | Accumulated surplus | Asset revaluation reserve | Other reserves | Total equity |
|--|--------|---------------------|---------------------------|----------------|------------------|
| 2023 | | | | | |
| Balance at the end of previous reporting period | | 415,270 | 1,001,855 | 13,260 | 1,430,385 |
| Net surplus / (deficit) for year | | 45,452 | — | — | 45,452 |
| Other comprehensive income | | | | | |
| Share of OCI - equity accounted council businesses | | — | 125 | — | 125 |
| - Gain (Loss) on Revaluation of I,PP&E | 7a | — | 88,266 | — | 88,266 |
| IPP&E impairment (expense) / recoupments offset to ARR | 7a | — | 524 | — | 524 |
| Transfer to accumulated surplus on sale of I,PP&E | 9a | (9,918) | 9,918 | — | — |
| Other equity adjustments - equity accounted council businesses | 19(a)i | (403) | — | — | (403) |
| Other comprehensive income | | (10,321) | 98,833 | — | 88,512 |
| Total comprehensive income | | 35,131 | 98,833 | — | 133,964 |
| Transfers between reserves | | (2,681) | — | 2,681 | — |
| Balance at the end of period | | 447,720 | 1,100,688 | 15,941 | 1,564,349 |
| 2022 | | | | | |
| Balance at the end of previous reporting period | | 496,160 | 645,797 | 11,468 | 1,153,425 |
| Adjustments (correction of prior period errors) | | 16 | — | — | 16 |
| Net surplus / (deficit) for year | | 61,810 | — | — | 61,810 |
| Other comprehensive income | | | | | |
| - Gain (Loss) on Revaluation of I,PP&E | 7a | — | 215,794 | — | 215,794 |
| IPP&E impairment (expense) / recoupments offset to ARR | 7a | — | (689) | — | (689) |
| Transfer to accumulated surplus on sale of I,PP&E | 9a | (67,458) | 67,458 | — | — |
| Other equity adjustments - equity accounted council businesses | 19(a)i | 29 | — | — | 29 |
| Other comprehensive income | | (67,429) | 282,563 | — | 215,134 |
| Total comprehensive income | | (5,619) | 282,563 | — | 276,944 |
| Transfers between reserves | | (75,287) | 73,495 | 1,792 | — |
| Balance at the end of period | | 415,270 | 1,001,855 | 13,260 | 1,430,385 |

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

City of Playford

Financial Statements 2023

Statement of Cash Flows

for the year ended 30 June 2023

| | Notes | 2023 \$ '000 | 2022 \$ '000 |
|---|-------|----------------------|---------------------|
| Cash flows from operating activities | | | |
| <u>Receipts</u> | | | |
| Rates receipts | | 90,845 | 86,551 |
| Statutory charges | | 3,169 | 2,852 |
| User charges | | 4,184 | 4,242 |
| Grants, subsidies and contributions | | 23,816 | 20,721 |
| Investment receipts | | 56 | 10 |
| Reimbursements | | 1,160 | 980 |
| Other receipts | | 1,098 | 6,464 |
| <u>Payments</u> | | | |
| Payments to employees | | (42,977) | (41,885) |
| Payments for materials, contracts and other expenses | | (48,366) | (42,989) |
| Finance payments | | (3,895) | (3,847) |
| Net cash provided by (or used in) operating activities | 11b | <u>29,090</u> | <u>33,099</u> |
| Cash flows from investing activities | | | |
| <u>Receipts</u> | | | |
| Amounts received specifically for new or upgraded assets | | 5,220 | 2,516 |
| Grants utilised for capital purposes | | 8,429 | 8,507 |
| Sale of replaced assets | | 1,610 | 1,361 |
| Sale of surplus assets | | 11,606 | 4,334 |
| Repayments of loans by community groups | | 24 | 18 |
| <u>Payments</u> | | | |
| Expenditure on renewal/replacement of assets | | (12,098) | (15,110) |
| Expenditure on new/upgraded assets | | (24,950) | (13,839) |
| Net cash provided (or used in) investing activities | | <u>(10,159)</u> | <u>(12,213)</u> |
| Cash flows from financing activities | | | |
| <u>Receipts</u> | | | |
| Proceeds from loans | | 75,950 | 138,615 |
| Proceeds from Bonds, Deposits & Retentions | | 21 | – |
| <u>Payments</u> | | | |
| Repayments of loans | | (81,164) | (157,671) |
| Repayment of Finance Lease Liabilities | | (153) | (134) |
| Net cash provided by (or used in) financing activities | | <u>(5,346)</u> | <u>(19,190)</u> |
| Net increase (decrease) in cash held | | 13,585 | 1,696 |
| plus: cash & cash equivalents at beginning of period | | 1,818 | 122 |
| Cash and cash equivalents held at end of period | 11a | <u>15,403</u> | <u>1,818</u> |

Additional information:

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

City of Playford

Financial Statements 2023

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

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City of Playford

Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical cost convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(2) The local government reporting entity

City of Playford is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 12 Bishopstone Road, Davoren Park. These consolidated 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.

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.

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:

continued on next page ...

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City of Playford

Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

| | Cash Payment Received \$ '000 | Annual Allocation \$ '000 | Difference \$ '000 |
|---------|--|---------------------------------|-----------------------|
| 2020/21 | \$11,396 | \$11,332 | \$64 |
| 2021/22 | \$16,583 | \$12,371 | \$4,212 |
| 2022/23 | \$19,257 | \$14,127 | \$5,130 |

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.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

5.2 Non-current assets or disposal groups classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

continued on next page ...

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City of Playford

Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(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 include in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

Major depreciation periods for each class of asset are listed in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but records covering the entire life cycle of these assets are not available, and care should be used in interpreting financial information based on these estimates.

6.5 Impairment

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

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

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

continued on next page ...

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City of Playford

Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

6.6 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.

(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 recorded initially at fair value, being the cost of the borrowings, net of transaction costs. The measurement basis subsequent to initial recognition is at amortised cost. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 6.22% (2022, 4.03%)

Weighted avg. settlement period 1.84 years (2022, 1.86 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the nominated fund selected by employees under the "Choice of Fund" legislation.

No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Leases

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

10.1 Council as a lessee

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

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Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

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:

| | |
|--------------------------------------|--------------|
| Building, plant, equipment and other | 2 to 5 years |
|--------------------------------------|--------------|

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - 6.5 Impairment.

ii) Lease Liabilities

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

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

The Council applies the short-term lease recognition exemption to its short-term leases of 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 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 certain services and facilities.

Council's equity in the Northern Adelaide Waste Management Authority (NAWMA) and Gawler River Floodplain Management Authority (GRFMA) are accounted for in accordance with AASB 128 and set out in detail in Note 19.

(12) GST implications

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

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

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

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 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current (amended by AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as

City of Playford

Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

Current or Non-Current - Deferral of Effective Date, AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)

- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.* (This Standard makes amendments to AASB 1053 *Application of Tiers of Australian Accounting Standards*, June 2010 and AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities*, March 2020)
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* (This standard amends a number of Standards as follows: AASB 7 *Financial Instruments: Disclosures* – to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements, AASB 101 *Presentation of Financial Statements* - to require entities to disclose their material accounting policy information rather than their significant accounting policies, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* - to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates, AASB 134 *Interim Financial Reporting* - to identify material accounting policy information as a component of a complete set of financial statements, AASB *Practice Statement 2: Making Materiality Judgements* - to provide guidance on how to apply the concept of materiality to accounting policy disclosures)
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.* (This standard amends a number of Standards as follows: AASB 7 *Financial Instruments: Disclosures*, August 2015, AASB 116 *Property, Plant and Equipment*, August 2015, AASB 124 *Related Party Disclosures*, July 2015, AASB 128 *Investments in Associates and Joint Ventures*, August 2015, AASB 134 *Interim Financial Reporting*, August 2015, AASB 1054 *Australian Additional Disclosures*, May 2011, AASB *Practice Statement 2: Making Materiality Judgements*, December 2017. This Standard repeals Australian Accounting Standards that have been superseded by other Standards but not formally repealed. It also repeals Standards that amend other Standards as their principal purpose but which have not been formally repealed, provided their Parliamentary disallowance period and legal commencement date have passed)
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments.* (This Standard amends: 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 17 *Insurance Contracts*, July 2017, 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; to permit public sector entities to continue applying AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* to annual periods beginning on or after 1 January 2023 but before 1 July 2026. This Standard also amends AASB 17 to repeal AASB 1038 *Life Insurance Contracts*, July 2004 and supersede *Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations* for annual periods beginning on or after January 2023)
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information.* (This Standard makes amendments to AASB 17 *Insurance Contracts*, July 2017. These amendments arise from the issuance of International Financial Reporting Standard Initial Application of IFRS 9 – Comparative Information (Amendment to IFRS 17) by the International Accounting Standards Board (IASB) in December 2021)

Effective for NFP annual reporting periods beginning on or after 1 January 2024

- *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

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Financial Statements 2023

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

Note 1. Summary of Significant Accounting Policies (continued)

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) COVID-19 Pandemic

The COVID-19 pandemic has impacted the 2021/22 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include;

- Reduced revenue from civic events and venue hire
- Business support in the form of temporary suspension of:
 - Fines
 - Penalties
 - Interest
 - Rent (including sportsfields)
 - Licence fees
 - Debt recovery actions
- Additional costs for:
 - Cleaning
 - Health and safety initiatives
 - Hibernation costs for Council venues

(15) Comparative figures

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

(16) Disclaimer

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

City of Playford

Financial Statements 2023

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

Note 2. Income

| | 2023 \$ '000 | 2022 \$ '000 |
|---|-----------------|-----------------|
| (a) Rates | | |
| General rates | | |
| General rates | 95,426 | 89,922 |
| Less: mandatory rebates | (4,554) | (4,296) |
| Less: discretionary rebates, remissions and write-offs | (1,022) | (1,050) |
| Total general rates | 89,850 | 84,576 |
| Other rates (including service charges) | | |
| Regional Landscape Levy (Formerly Natural Resource Management Levy) | 1,186 | 1,151 |
| Total other rates (including service charges) | 1,186 | 1,151 |
| Other charges | | |
| Penalties for late payment | 409 | 343 |
| Legal and other costs recovered | 305 | 276 |
| Total other charges | 714 | 619 |
| Total rates | 91,750 | 86,346 |
| (b) Statutory charges | | |
| Development Act fees | 1,660 | 1,336 |
| Animal registration fees and fines | 689 | 712 |
| Parking fines / expiation fees | 374 | 407 |
| Environmental control fines | 190 | 111 |
| Other licences, fees and fines | 256 | 286 |
| Total statutory charges | 3,169 | 2,852 |
| (c) User charges | | |
| Commercial activity revenue | 212 | 200 |
| Hall and equipment hire | 2,275 | 2,412 |
| Sundry | 166 | 160 |
| Commercial Activity - Food Cooperative | 389 | 269 |
| Commercial Activity - Water | 254 | 368 |
| Home and Aged Care | 485 | 432 |
| Immunisation | 55 | 49 |
| Library | 45 | 39 |
| Total user charges | 3,881 | 3,929 |

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City of Playford

Financial Statements 2023

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

Note 2. Income (continued)

| | 2023 \$ '000 | 2022 \$ '000 |
|---|-----------------|-----------------|
| (d) Investment income | | |
| Interest on investments | | |
| - Local Government Finance Authority | 7 | 2 |
| - Banks and other | 42 | – |
| - Loans to community groups | 7 | 8 |
| Total investment income | 56 | 10 |
| (e) Reimbursements | | |
| Other | 1,094 | 905 |
| Total reimbursements | 1,094 | 905 |
| (f) Other income | | |
| Insurance and other recoupments - infrastructure, property, plant and equipment | 94 | 46 |
| Sundry | 616 | 159 |
| Total other income | 710 | 205 |
| (g) Grants, subsidies and contributions | | |
| Amounts received specifically for new or upgraded assets | 5,220 | 2,516 |
| Total | 5,220 | 2,516 |
| Other grants, subsidies and contributions - Capital | | |
| Bridges Renewal Program Grant | 168 | – |
| Developer Contributions | 5,001 | 2,847 |
| Local Roads and Community Infrastructure Program Grant | 1,256 | 3,322 |
| Roads to Recovery | 1,313 | 1,313 |
| Special Local Road Program Grant | 204 | – |
| Subsidies | 52 | – |
| Supplementary Local Road Grant | 681 | 658 |
| Total Other grants, subsidies and contributions - Capital | 8,675 | 8,140 |
| Other grants, subsidies and contributions - Operating | | |
| Brought Forward Financial Assistance Grant | 15,345 | 10,216 |
| Developer Contributions | 267 | 367 |
| Financial Assistance Grant (remaining allocation) | 3,912 | 6,466 |
| Home and Community Care Grant | 2,114 | 2,065 |
| Sundry | 2,374 | 1,896 |
| Total other grants, subsidies and contributions - Operating | 24,012 | 21,010 |
| Total grants, subsidies and contributions | 37,907 | 31,666 |
| The functions/activities to which these grants relate are shown in Note 12. | | |
| (i) Sources of grants | | |
| Commonwealth Government | 5,521 | 7,536 |

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City of Playford

Financial Statements 2023

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

Note 2. Income (continued)

| | 2023 \$ '000 | 2022 \$ '000 |
|------------------|-----------------|-----------------|
| State Government | 26,416 | 20,307 |
| Other | 5,970 | 3,823 |
| Total | 37,907 | 31,666 |

(ii) Individually significant items

| | | |
|---|--------|--------|
| Brought Forward Financial Assistance Grant (FAG) Recognised as Income | 15,345 | 10,216 |
| Developers Contribution | 5,268 | 3,214 |
| Local Roads and Community Infrastructure Program Grants | 1,255 | 3,322 |
| Supplementary Local Road Funding Recognised as Income | 681 | 658 |

(h) Physical resources received free of charge

| | | |
|---|---------------|---------------|
| Land and improvements | 1,106 | — |
| Infrastructure | 20,265 | 48,280 |
| Plant & Equipment | — | 231 |
| Parks | 200 | — |
| Total physical resources received free of charge | 21,571 | 48,511 |

Note 3. Expenses

| | 2023 \$ '000 | 2022 \$ '000 |
|---|-----------------|-----------------|
| (a) Employee costs | | |
| Salaries and wages | 34,932 | 34,497 |
| Employee leave expense | 2,291 | 2,115 |
| Superannuation | 3,782 | 3,482 |
| Workers' compensation insurance | 1,566 | 1,488 |
| Other employee related costs | 1,225 | 1,249 |
| Less: capitalised and distributed costs | (968) | (1,112) |
| Total operating employee costs | 42,828 | 41,719 |

| | | |
|---|-----|-----|
| Total number of employees (full time equivalent at end of reporting period) | 409 | 400 |
|---|-----|-----|

(b) Materials, contracts and other expenses

(i) Prescribed expenses

| | | |
|--|--------------|------------|
| Auditor's remuneration | | |
| - Auditing the financial reports | 34 | 32 |
| Bad and doubtful debts | 6 | 3 |
| Elected members' expenses | 458 | 440 |
| Election expenses | 509 | — |
| Lease expense - low value assets / short term leases | 8 | 20 |
| Subtotal - prescribed expenses | 1,015 | 495 |

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City of Playford

Financial Statements 2023

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

Note 3. Expenses (continued)

| | 2023 \$ '000 | 2022 \$ '000 |
|--|-----------------|-----------------|
| (ii) Other materials, contracts and expenses | | |
| Advertising | 116 | 214 |
| Contractors | 11,672 | 10,694 |
| Contributions | 348 | 439 |
| Energy | 3,379 | 2,720 |
| Insurance Premiums | 1,176 | 1,083 |
| Legal expenses | 974 | 559 |
| Levies - other | 211 | 224 |
| Levies Paid to Government - Regional Landscape Levy | 1,186 | 1,151 |
| Maintenance | 3,503 | 3,001 |
| Parts, accessories and consumables | 3,406 | 3,055 |
| Professional services | 1,193 | 1,161 |
| Recruitment | 132 | 84 |
| Sundry | 1,250 | 1,222 |
| Waste Collection | 10,802 | 10,218 |
| Water | 880 | 1,187 |
| Subtotal - Other material, contracts and expenses | 40,228 | 37,012 |
| Total materials, contracts and other expenses | 41,243 | 37,507 |
| (c) Depreciation, amortisation and impairment | | |
| Buildings and other structures | 3,431 | 3,163 |
| Infrastructure | 20,464 | 18,731 |
| Parks & Sport Fields | 1,226 | 1,256 |
| Right-of-use assets | 155 | 134 |
| Plant and equipment | 2,753 | 2,253 |
| Total depreciation, amortisation and impairment | 28,029 | 25,537 |
| (d) Finance costs | | |
| Interest on loans | 3,677 | 3,652 |
| Interest on leases | 5 | 5 |
| Bank Charges | 247 | 239 |
| Less: capitalised and distributed costs | (34) | (49) |
| Total finance costs | 3,895 | 3,847 |

City of Playford

Financial Statements 2023

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

Note 4. Asset disposal and fair value adjustments

| | 2023 \$ '000 | 2022 \$ '000 |
|---|-----------------|-----------------|
| Infrastructure, property, plant and equipment | | |
| (i) Assets renewed or directly replaced | | |
| Proceeds from disposal | 1,610 | 1,361 |
| Less: carrying amount of assets sold | (3,608) | (6,130) |
| Gain (loss) on disposal | (1,998) | (4,769) |
| (ii) Assets surplus to requirements | | |
| Proceeds from disposal | 11,606 | 4,334 |
| Less: carrying amount of assets sold | (7,996) | (4,334) |
| Gain (loss) on disposal | 3,610 | — |
| Net gain (loss) on disposal or revaluation of assets | 1,612 | (4,769) |

Note 5. Current assets

| | 2023 \$ '000 | 2022 \$ '000 |
|--|-----------------|-----------------|
| (a) Cash and cash equivalent assets | | |
| Cash on hand and at bank | 2,258 | 1,818 |
| Deposits at call | 13,145 | — |
| Total cash and cash equivalent assets | 15,403 | 1,818 |

(b) Trade and other receivables

| | | |
|--|---------------|--------------|
| Rates - general and other | 4,295 | 3,395 |
| Council rates postponement scheme | 20 | 15 |
| Accrued revenues | 806 | 1,466 |
| Debtors - general | 7,984 | 1,145 |
| GST recoupment | 641 | 196 |
| Sundry | 136 | 141 |
| Debtors - Other | 54 | 53 |
| Subtotal | 13,936 | 6,411 |
| Less: Loss Allowance | (12) | (8) |
| Total trade and other receivables | 13,924 | 6,403 |

(c) Other financial assets

| | | |
|-------------------------------------|-----------|-----------|
| Loans to Community Organisations | 24 | 23 |
| Total Other Financial Assets | 24 | 23 |

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

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City of Playford

Financial Statements 2023

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

Note 5. Current assets (continued)

| | 2023 \$ '000 | 2022 \$ '000 |
|-----------------------------------|-----------------|-----------------|
| (d) Inventories | | |
| Stores and materials | 254 | 192 |
| <u>Total inventories</u> | <u>254</u> | <u>192</u> |
| (e) Other current assets | | |
| Prepayments | 897 | 757 |
| <u>Total other current assets</u> | <u>897</u> | <u>757</u> |

Note 6. Non-current assets

| | | 2023 \$ '000 | 2022 \$ '000 |
|---|-------|-----------------|-----------------|
| (a) Financial Assets | | | |
| Receivables | | | |
| Loans to community organisations | | 248 | 273 |
| <u>Total financial assets</u> | | <u>248</u> | <u>273</u> |
| | | | |
| | Notes | 2023 \$ '000 | 2022 \$ '000 |
| (b) Equity accounted investments in council businesses | | | |
| NAWMA | 19 | 3,691 | 4,080 |
| GRFMA | | 6,487 | 6,679 |
| <u>Total equity accounted investments in Council businesses</u> | | <u>10,178</u> | <u>10,759</u> |
| (c) Other non-current assets | | | |
| Other | | | |
| Capital work in progress | | 31,754 | 12,726 |
| <u>Total other non-current assets</u> | | <u>31,754</u> | <u>12,726</u> |

City of Playford

Financial Statements 2023

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

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

| | | as at 30/06/22 | | | | Asset movements during the reporting period | | | | | | | | | | | as at 30/06/23 | | | |
|--|---|------------------|-----------------------|-----------------|----------------------------------|---|---------------------------------------|----------------------------------|--------------------------------|--|---|--|---------------------------------|--|---|---|-----------------------|-----------------|----------------------------------|-------------------------|
| | | Fair Value Level | At Fair Value \$ '000 | At Cost \$ '000 | Accumulated Depreciation \$ '000 | Carrying amount \$ '000 | Asset Additions New / Upgrade \$ '000 | Asset Additions Renewals \$ '000 | WDV of Asset Disposals \$ '000 | Depreciation Expense (Note 3c) \$ '000 | Impairment Loss recognised in Equity (Note 9) \$ '000 | Impairment Reversal (note Equity) (Note 9) \$ '000 | Adjustments & Transfers \$ '000 | This item(s) "Yield for Sale" category \$ '000 | Revaluation Decrements to Equity (ARR) (Note 9) \$ '000 | Revaluation Increments to Equity (ARR) (Note 9) \$ '000 | At Fair Value \$ '000 | At Cost \$ '000 | Accumulated Depreciation \$ '000 | Carrying amount \$ '000 |
| | | | | | | | | | | | | | | | | | | | | |
| Land | 2 | | 506,213 | – | – | 506,213 | 1,326 | – | (7,996) | – | – | – | 62 | 4,794 | – | 35,344 | 539,743 | – | – | 539,743 |
| Buildings and other structures | 3 | | 119,565 | – | (41,954) | 77,611 | 1,551 | 642 | (95) | (3,431) | – | – | (705) | – | – | 6,463 | 130,791 | – | (48,755) | 82,036 |
| Infrastructure | 3 | | 1,352,492 | – | (425,808) | 926,684 | 23,794 | 9,909 | (2,044) | (20,464) | – | 524 | (34,502) | – | – | 46,459 | 1,391,738 | – | (441,378) | 950,360 |
| Parks & Sport Fields | 3 | | – | – | – | – | 201 | – | (46) | (1,226) | – | – | 35,145 | – | – | – | 56,140 | – | (22,066) | 34,074 |
| Right-of-use assets | | | – | 886 | (605) | 281 | 37 | – | – | (155) | – | – | – | – | – | – | – | 922 | (759) | 163 |
| Plant and equipment | | | – | 27,051 | (10,706) | 16,345 | 280 | 1,874 | (1,423) | (2,753) | – | – | (2) | – | – | – | – | 23,672 | (9,351) | 14,321 |
| Total infrastructure, property, plant and equipment | | | 1,978,270 | 27,937 | (479,073) | 1,527,134 | 27,189 | 12,425 | (11,604) | (28,029) | – | 524 | (2) | 4,794 | – | 88,266 | 2,118,412 | 24,594 | (522,309) | 1,620,697 |
| Comparatives | | | 1,579,389 | 28,387 | (336,650) | 1,271,126 | 61,214 | 14,362 | (6,130) | (25,537) | (689) | – | (413) | (2,593) | (46,404) | 262,198 | 1,978,270 | 27,937 | (479,073) | 1,527,134 |

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Financial Statements 2023

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

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Fair Value Measurement

Council measures certain assets and liabilities at fair value where required by Australian Accounting Standards. AASB 13 Fair Value Measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

This section explains the judgements and estimates made in determining the fair values of the assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Council has classified its property, plant and equipment into the three levels prescribed under the accounting standards. An explanation of each level 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).

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Council re-assesses level categorisation and determines whether transfers have occurred between levels in the hierarchy, based on the level of inputs that is significant to the fair value measurement as a whole for the asset class.

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

Valuation Techniques

Council undertakes a formal valuation of land, buildings and infrastructure assets at least every five years. The valuations are performed by independent experts engaged by Council with inhouse desktop valuation undertaken all other years.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Council considers information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- income projections based on a property's estimated net market income
- depreciated replacement cost, being the cost to construct the asset at current prices less the depreciation that would have accumulated since original construction.

Highest and best use

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

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

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

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Financial Statements 2023

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

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

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

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.

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

| | \$ |
|--------------------------------|-------|
| Office Furniture & Equipment | 2,000 |
| Plant & Equipment | 2,000 |
| Buildings and Other Structures | 5,000 |
| Infrastructure - Stormwater | 5,000 |
| Infrastructure - Streetscape | 5,000 |
| Parks & Sport Fields | 5,000 |

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below:

| | |
|------------------------------|-----------------|
| Building & Other Structures | 10 to 100 years |
| Infrastructure - Stormwater | 10 to 120 years |
| Infrastructure - Streetscape | 10 to 100 years |
| Parks & Sport Fields | 10 to 100 years |
| Plant and Equipment | 2 to 15 years |
| Office Furniture & Equipment | 2 to 15 years |
| Right-of-Use Assets | 2 to 5 years |
| Land | infinite |
| Infrastructure - Formation | infinite |

Land & Land Improvements

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Infrastructure

Streetscape

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Stormwater

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.

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City of Playford

Financial Statements 2023

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

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Parks and Sport Fields

- Basis of valuation: Written down current replacement cost & at cost.
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Liquid Pacific in 01 July 2021.

Structures, Bridges, Car Parks

- Basis of valuation: Market Value / Written down current replacement cost
- Date of valuation: 01 December 2022. All acquisitions made after the respective date of valuation are recorded at cost.
- Valuer: Valuation were undertaken by Liquid Pacific in 01 July 2021. Council has undertaken a subsequent desktop valuation and update of unit rates as at 01 December 2022

Plant & Equipment

- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

Furniture & Fittings

- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

City of Playford

Financial Statements 2023

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

Note 8. Liabilities

| | 2023 Current \$ '000 | 2023 Non Current \$ '000 | 2022 Current \$ '000 | 2022 Non Current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| (a) Trade and other payables | | | | |
| Goods and services | 8,546 | — | 8,015 | — |
| - Grants, subsidies, contributions - operating | 332 | — | 663 | — |
| - Grants and contributions - capital | 8,315 | — | 8,561 | — |
| Accrued expenses - other | 955 | — | 763 | — |
| Bonds, deposits & retentions | 21 | — | — | — |
| Other | 2,412 | — | 2,573 | — |
| Total trade and other payables | 20,581 | — | 20,575 | — |

| | Notes | 2023 Current \$ '000 | 2023 Non Current \$ '000 | 2022 Current \$ '000 | 2022 Non Current \$ '000 |
|-------------------------|-------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| (b) Borrowings | | | | | |
| Loans | 13 | 6,440 | 94,646 | 6,174 | 100,126 |
| Lease liabilities | 17b | 91 | 76 | 140 | 143 |
| Total Borrowings | | 6,531 | 94,722 | 6,314 | 100,269 |

(c) Provisions

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Employee Benefits (Annual Leave) | 2,750 | — | 2,965 | — |
| Employee Benefits (Long Service Leave) | 3,518 | 1,290 | 3,464 | 1,269 |
| Total provisions | 6,268 | 1,290 | 6,429 | 1,269 |

City of Playford

Financial Statements 2023

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

Note 9. Reserves

| | as at 30/06/22 | | | | as at 30/06/23 |
|--|-------------------------------|---------------------------------------|----------------------|------------------------|-------------------------------|
| | Opening Balance \$ '000 | Increments (Decrements) \$ '000 | Transfers \$ '000 | Impairments \$ '000 | Closing Balance \$ '000 |

(a) Asset revaluation reserve

| | | | | | |
|--|------------------|---------------|--------------|------------|------------------|
| Land | 416,192 | 35,344 | 13,485 | – | 465,021 |
| Buildings and other structures | 67,201 | 6,463 | (1,560) | – | 72,104 |
| Infrastructure | 516,177 | 46,459 | (2,007) | 524 | 561,153 |
| JV's / associates - other comprehensive income | 2,285 | 125 | – | – | 2,410 |
| Total other assets | 2,285 | 125 | – | – | 2,410 |
| Total asset revaluation reserve | 1,001,855 | 88,391 | 9,918 | 524 | 1,100,688 |
| Comparatives | 645,797 | 215,794 | 140,953 | (689) | 1,001,855 |

| | as at 30/06/22 | | | | as at 30/06/23 |
|--|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-------------------------------|
| | Opening Balance \$ '000 | Tfrs to Reserve \$ '000 | Tfrs from Reserve \$ '000 | Other Movements \$ '000 | Closing Balance \$ '000 |

(b) Other reserves

| | | | | | |
|-----------------------------|---------------|--------------|----------------|----------|---------------|
| Developer Contributions | 11,259 | 5,644 | (3,816) | – | 13,087 |
| Other reserves | 37 | 137 | (42) | – | 132 |
| Supplementary Local Roads | 1,964 | 758 | – | – | 2,722 |
| Total other reserves | 13,260 | 6,539 | (3,858) | – | 15,941 |
| Comparatives | 11,468 | 4,138 | (2,346) | – | 13,260 |

Purposes of reserves

Asset Revaluation Reserve

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

Developer Contributions

Where developers elect to make a cash contribution to Council in lieu of installing a physical asset, the cash must be paid to Council at the time of processing the planning application. Council sets these funds aside in the Developer Contribution Reserve for construction of the assets after development is completed.

Supplementary Local Roads

The Supplementary Local Road Funding program is an additional allocation of road funding provided by Federal Government. Any unspent funds from the financial year are set aside in the Reserve for construction of future local roads.

Note 10. Assets subject to restrictions

The nature of some of the City of Playford's 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.

City of Playford

Financial Statements 2023

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

Note 11. Reconciliation to Statement of Cash Flows

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

(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 & Cash Equivalents Assets | 5 | 15,403 | 1,818 |
| Balances per Statement of Cash Flows | | 15,403 | 1,818 |

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

| | | | |
|--|-------|---------------|---------------|
| Net surplus/(deficit) | | 45,452 | 61,810 |
| Non-cash items in income statements | | | |
| Depreciation, amortisation and impairment | 3c | 28,029 | 25,552 |
| Equity movements in equity accounted investments (increase)/decrease | 19(a) | 303 | (765) |
| Non-cash asset acquisitions | 2h | (21,571) | (48,511) |
| Grants for capital acquisitions treated as investing activity | 2g | (13,895) | (10,656) |
| Net (gain)/loss on disposals | 4 | (1,612) | 4,769 |
| | | 36,706 | 32,199 |
| Add (less): changes in net current assets | | | |
| Net (increase)/decrease in receivables | 5b | (7,525) | (199) |
| Change in allowances for under-recovery of receivables | 5b | (4) | (5) |
| Net (increase)/decrease in inventories | 5d | (62) | (46) |
| Net (increase)/decrease in other assets | 5c,5e | (116) | (205) |
| Net increase/(decrease) in trade and other payables | 8a | 231 | 985 |
| Net increase/(decrease) in other provisions | 8c | (140) | 370 |
| Net cash provided by (or used in) operations | | 29,090 | 33,099 |

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

| | | | |
|--|----|---------------|---------------|
| Physical resources received free of charge | 2h | 21,571 | 48,511 |
| Total non-cash financing and investing activities | | 21,571 | 48,511 |

(d) Financing arrangements

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

| | | |
|--------------------------------------|--------|--------|
| Bank overdrafts | 1,500 | 1,500 |
| Corporate credit cards | 255 | 250 |
| LGFA cash advance debenture facility | 47,935 | 51,895 |

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

City of Playford

Financial Statements 2023

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

Note 12(a). Functions

| Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b). | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|--------------------------------|---------------|------------------------------|---------------|---|------------------|
| | INCOME | | EXPENSES | | OPERATING SURPLUS (DEFICIT) | | GRANTS INCLUDED IN INCOME | | TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Functions/Activities | | | | | | | | | | |
| City Maintenance | 5,399 | 3,804 | 68,745 | 62,516 | (63,346) | (58,712) | 9,220 | 8,315 | 1,575,656 | 1,468,478 |
| Waste and Recycling | 1,380 | 937 | 17,265 | 17,272 | (15,885) | (16,335) | — | — | 3,691 | 4,080 |
| Local Business Support | 421 | 338 | 1,087 | 1,004 | (666) | (666) | — | — | 248 | 273 |
| Public Health, Regulatory and Environment | 5,164 | 4,398 | 11,265 | 10,539 | (6,101) | (6,141) | 192 | 147 | — | — |
| Administration and Other Activities | 114,894 | 109,129 | — | — | 114,894 | 109,129 | 19,333 | 16,721 | 42,054 | 25,120 |
| Community Facilities, Programs and Events | 6,089 | 5,633 | 17,936 | 17,356 | (11,847) | (11,723) | 3,942 | 3,967 | 72,092 | 67,290 |
| Total Functions/Activities | 133,347 | 124,239 | 116,298 | 108,687 | 17,049 | 15,552 | 32,687 | 29,150 | 1,693,741 | 1,565,241 |

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.

City of Playford

Financial Statements 2023

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 Facilities, Programs and Events Club and Sporting Governance

We support over 80 sporting clubs with facilities for training and competition, including regional sites such as the Playford Tennis Centre, Aquadome, Playford Bowling Club and Elizabeth Oval. We work with clubs and associations to support effective administration, operations and compliance to optimise utilisation of facilities for the community's benefit.

Community Development and Health Initiatives

Community development supports knowledge and skills development for individuals and families. Services are delivered at several sites including the Playford Wellbeing Hub, the Healthy Food Co, Marni Waiendi and the Elizabeth Rise Community Centre.

These initiatives support the community in various ways, such as promotion of health and wellbeing practices, providing volunteer opportunities, advocacy and provision of a range of social and educational activities.

Community Inclusion

Council provides education, information and support to assist older and vulnerable people to remain independent and connected within the community. Inclusion programs are run at sites including the Grenville Hub and Playford Wellbeing Hub, as well as outreach programs in One Tree Hill and Virginia. We also support people living with a disability through the NDIS, which is supported by Council's Disability Access and Inclusion Plan.

Community Venues

We have a range of venues the community can access for events and experiences. The Shedley Theatre is the northern suburbs' premier theatre venue, hosting a calendar of high-profile, professional artists, as well as supporting local amateur groups and school events.

The Uley Road and Spruance Halls provide high quality space for the community to utilise. The Northern Sound System (NSS) is the state's leading youth music facility, engaging young people through music and creative industries. An extensive range of programs build the capacity of young people, while also offering a live music venue, rehearsal spaces and recording studio.

Customer Contact

Our Customer Contact Team provides prompt, helpful and accurate information and transactional services to our community.

Event Management

Council delivers a range of community and civic events across the city and, where appropriate, looks to partner to extend the range of events on offer. These events celebrate the community and promote a sense of connection.

Library

Library Services provide access to information, technology and educational programs, cultural engagement, local history, social interaction, entertainment and leisure for our community. Branches at the Civic Centre and Stretton Centre are supported by the Mobile and Home Library Services.

Volunteer Development

Volunteers extend and enhance the services and programs delivered by Council through sharing their time, energy and skills to benefit the community. Volunteers receive many opportunities to develop new skills and knowledge, connect with others and enjoy a sense of accomplishment.

City Maintenance

Parks and Reserves

Council maintains approximately 170 irrigated parks and reserves throughout the city. They provide a range of amenities consisting of welcoming outdoor spaces, accessible play spaces, park furniture and green open space to encourage sporting activities and recreation. In addition, Council also maintains approximately 92 dryland reserves that provide natural open space.

Rapid Response

Council provides a rapid response team to attend to urgent situations and help reduce risk to our community. The primary objective is to make the situation safe, with additional work then referred to other Council services.

Rural Streetscapes

Regular road maintenance is undertaken in our rural areas, with a programmed and proactive approach based on risk. This service enables a safe and connected community for our rural residents.

Sportsfield Maintenance

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City of Playford

Financial Statements 2023

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

Note 12(b). Components of functions (continued)

The maintenance of Council's many sports fields is important to ensure our community can actively engage and participate in a range of sporting activities on offer across our city.

Stormwater Network

The stormwater network provides for the collection and transportation of stormwater throughout the city. Maintenance of the network reduces the risk of flooding and associated property damage. It also improves the water quality to wetlands and protects against water damage to road infrastructure.

Tree Services

Our tree services team maintain trees on community land, which contributes to the look and feel of the city, as well as positively impacting on the health and wellbeing of Playford residents and visitors.

Urban Streetscapes

This service provides safe pedestrian access, a safe and orderly urban road network, and improved appearance of street frontages, contributing to overall city presentation.

Graffiti Operations

The graffiti team provides a quick and timely response to the removal of graffiti from Council assets, leading to a clean and attractive city with a reduction in overall visible graffiti.

Waste and Recycling

Kerbside Waste

The kerbside waste management service includes household waste, recycling, green organics and hard waste. Diversion rates away from landfill, through recycling, reduction in contamination rates, and uptake of the green organics service are a focus of this service.

Illegal Dumping

This service manages the collection and disposal of illegally dumped rubbish throughout the city as well as penalises illegal dumping offences.

Local Business Support

Business Support and Industry Development

This service fosters business growth and supports and facilitates the creation of local jobs. Our modern co-working facility at the Stretton Centre provides cost-effective office space and one-to-one business support. Support is also provided at an industry level through specific projects, advocacy and connection, as well as through the Virginia Horticulture Centre.

Public Health, Regulatory and Environment

Environmental Health

This service covers the assessment, improvement and compliance to public health, food safety and wastewater standards.

Environmental Sustainability

In collaboration with our community, we enhance our local environment with resident engagement initiatives such as plant distribution programs, projects to improve our urban and rural biodiversity and targeted biodiversity management on rural roadsides.

Immunisation

Our immunisation service seeks to minimise the incidence of vaccine-preventable diseases and covers early childhood immunisation, secondary school programs, the New Arrival Refugee Immunisation (NARI) program and public and business programs.

Regulatory Services

Key regulatory requirements are maintained to minimise the risk to public safety: animal management, parking compliance, fire prevention, litter prevention, by-laws and Local Government Act compliance. Coupled with education initiatives, these all contribute to a safer and better quality of life for our community.

Development Services

This service facilitates safe and desired city development by coordinating and managing growth, assessing development applications, providing advice, ensuring development is constructed to Council standards and is compliant with relevant regulations.

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City of Playford

Financial Statements 2023

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

Note 12(b). Components of functions (continued)

Administration and Other Activities

Items under this function include General Purpose grants, non-program related grants and Rates revenue. These items are not directly attributed to a service and other minor activities.

Note 13. Financial instruments

Recognised financial instruments**Bank, deposits at call, short term deposits****Accounting Policy:**

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

Terms & Conditions:

Deposits at call have a returning interest rate between 2.88% to 3.18% (2022: 0.08% to 0.38%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges**Accounting Policy:**

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 2% (2022: 2%). Each month thereafter a further interest penalty of 0.48% (2022: 0.42%) is added. 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 & 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).

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City of Playford

Financial Statements 2023

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

Note 13. Financial instruments (continued)

Liabilities - creditors and accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - 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 (at maturity or Annual Principal & Interest); interest is charged at fixed or variable rates between 1.80% and 6.05% (2022: 1.80% and 5.40%).

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting Policy:

At the commencement date, a lessee shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

City of Playford

Financial Statements 2023

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

Note 13. Financial instruments (continued)

| | Notes | Due < 1 year \$ '000 | Due > 1 year and ≤ 5 years \$ '000 | Due > 5 years \$ '000 | Total Contractual Cash Flows \$ '000 | Carrying Values \$ '000 |
|---|-------|----------------------------|--|-----------------------------|---|----------------------------|
| Financial assets and liabilities | | | | | | |
| 2023 | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 5a | 15,403 | – | – | 15,403 | 15,403 |
| Receivables | 5b | 13,931 | 22 | 10 | 13,963 | 13,924 |
| Other financial assets | 5c,6a | 24 | 111 | 137 | 272 | 248 |
| Total financial assets | | 29,358 | 133 | 147 | 29,638 | 29,575 |
| Financial liabilities | | | | | | |
| Payables | 8a | 13,781 | 8,189 | 10,598 | 32,568 | 11,769 |
| Current borrowings | 8b | 6,440 | – | – | 6,440 | 6,440 |
| Non-current borrowings | 8b | – | 36,914 | 57,732 | 94,646 | 94,646 |
| Lease liabilities | 17b | 91 | 76 | – | 167 | 167 |
| Total financial liabilities | | 20,312 | 45,179 | 68,330 | 133,821 | 113,022 |
| Total financial assets and liabilities | | 49,670 | 45,312 | 68,477 | 163,459 | 142,597 |
| 2022 | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 5a | 1,818 | – | – | 1,818 | 1,818 |
| Receivables | 5b | 6,411 | 24 | 14 | 6,449 | 6,403 |
| Other financial assets | 5c,6a | 23 | 105 | 167 | 295 | 273 |
| Total financial assets | | 8,252 | 129 | 181 | 8,562 | 8,494 |
| Financial liabilities | | | | | | |
| Payables | 8a | 13,394 | 8,937 | 12,420 | 34,751 | 11,173 |
| Current borrowings | 8b | 6,174 | – | – | 6,174 | 6,174 |
| Non-current borrowings | 8b | – | 48,358 | 51,768 | 100,126 | 100,126 |
| Lease liabilities | 17b | 140 | 143 | – | 283 | 283 |
| Total financial liabilities | | 19,708 | 57,438 | 64,188 | 141,334 | 117,756 |
| Total financial assets and liabilities | | 27,960 | 57,567 | 64,369 | 149,896 | 126,250 |

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

| | 2023 | | 2022 | |
|----------------------|--|------------------------------|--|------------------------------|
| | Weighted Avg Interest Rate \$ '000 | Carrying Value \$ '000 | Weighted Avg Interest Rate \$ '000 | Carrying Value \$ '000 |
| Overdraft | 11.18% | – | 7.93% | – |
| Other variable rates | 5.73% | 30,667 | 2.36% | 21,801 |
| Fixed interest rates | 3.73% | 70,586 | 3.61% | 84,782 |
| | | 101,253 | | 106,583 |

Net fair value

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

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City of Playford

Financial Statements 2023

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

Note 13. Financial instruments (continued)

financial assets of the Council.

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. 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 its financial liability obligations. Council consider borrowings as an organisational response to the need for funds for capital projects or cashflow, without specifically borrowing for a particular project. The term of any borrowings, whether fixed interest or floating interest rate borrowings are sought with a range of maturity dates including access to bank overdraft and standby borrowing facilities to ensure a base level of liquidity is available at all times. This is in accordance with Council's Treasury Policy.

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.

Expected credit losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

| | ECL Rate | Gross carrying amount \$ '000 | Expected Loss \$ '000 |
|------------------------|----------|----------------------------------|--------------------------|
| 2023 | | | |
| Current (not past due) | 0.0% | 430 | — |
| Past due 1-30 days | 0.2% | 17 | — |
| Past due 31-60 days | 0.6% | 71 | — |
| Past due 61-90 days | 1.0% | 124 | 1 |
| Past due 91 days + | 2.8% | 377 | 11 |
| | | <u>1,019</u> | <u>12</u> |
| 2022 | | | |
| Current (not past due) | 0.1% | 469 | — |
| Past due 1-30 days | 0.3% | 67 | — |
| Past due 31-60 days | 0.6% | 44 | — |
| Past due 61-90 days | 0.8% | 180 | 1 |
| Past due 91 days + | 4.4% | 140 | 7 |
| | | <u>900</u> | <u>8</u> |

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City of Playford

Financial Statements 2023

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

Note 13. Financial instruments (continued)

Set out below is the movement in the allowance for expected credit losses:

| | 2023 \$ '000 | 2022 \$ '000 |
|---------------|-----------------|-----------------|
| As at 1 July | 8 | 3 |
| Provisions | 7 | 7 |
| Write-off | (3) | (2) |
| As at 30 June | 12 | 8 |

Note 14. Capital expenditure and investment property commitments

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

Capital commitments

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

| | | |
|---------------------|--------|--------|
| Land | 201 | 73 |
| Buildings | 746 | 1,109 |
| Infrastructure | 10,676 | 15,810 |
| Plant and equipment | 1,410 | 1,440 |
| | 13,033 | 18,432 |

These expenditures are payable:

| | | |
|-------------------------|--------|--------|
| Not later than one year | 13,033 | 18,432 |
| | 13,033 | 18,432 |

City of Playford

Financial Statements 2023

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

Note 15. Financial indicators

| \$ '000 | Amounts 2023 | Indicator 2023 | Indicators 2022 | Indicators 2021 |
|---------|-----------------|-------------------|--------------------|--------------------|
|---------|-----------------|-------------------|--------------------|--------------------|

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.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison. Adjustments are also made for Developer Contributions & Grant payments that are recognised under accounting standards as operating income but utilised for capital & future capital spend.

1. Operating Surplus Ratio

| | | | | |
|------------------------|---------|-------|-------|------|
| Operating surplus | 17,049 | 12.8% | 12.5% | 9.8% |
| Total operating income | 133,347 | | | |

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

Adjusted Operating Surplus Ratio

| | | | | |
|------------------------|---------|------|------|------|
| Operating surplus | 3,244 | 2.7% | 2.9% | 3.9% |
| Total operating income | 119,542 | | | |

2. Net Financial Liabilities Ratio

| | | | | |
|---------------------------|---------|-----|------|------|
| Net financial liabilities | 99,793 | 75% | 102% | 126% |
| Total operating income | 133,347 | | | |

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.

Adjusted Net Financial Liabilities Ratio

| | | | | |
|---------------------------|---------|-----|------|------|
| Net financial liabilities | 115,138 | 90% | 114% | 131% |
| Total operating income | 128,217 | | | |

3. Asset Renewal Funding Ratio

| | | | | |
|---|--------|-----|-----|------|
| Asset renewals | 10,488 | 65% | 70% | 108% |
| Infrastructure and Asset Management Plan required expenditure | 16,167 | | | |

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.

City of Playford

Financial Statements 2023

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

Note 16. Uniform presentation of finances

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

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.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Income

| | | |
|---|----------------|----------------|
| Rates | 91,750 | 86,346 |
| Statutory charges | 3,169 | 2,852 |
| User charges | 3,881 | 3,929 |
| Grants, subsidies and contributions - capital | 8,675 | 8,140 |
| Grants, subsidies and contributions - operating | 24,012 | 21,010 |
| Investment income | 56 | 10 |
| Reimbursements | 1,094 | 905 |
| Other income | 710 | 205 |
| Net gain - equity accounted council businesses | — | 842 |
| Total Income | 133,347 | 124,239 |

Expenses

| | | |
|--|----------------|----------------|
| Employee costs | 42,828 | 41,719 |
| Materials, contracts and other expenses | 41,243 | 37,507 |
| Depreciation, amortisation and impairment | 28,029 | 25,537 |
| Finance costs | 3,895 | 3,847 |
| Net loss - equity accounted council businesses | 303 | 77 |
| Total Expenses | 116,298 | 108,687 |

Operating Surplus / (deficit)

| | | |
|-------------------------------------|---------|---------|
| Timing adjustment for grant revenue | (5,130) | (4,212) |
|-------------------------------------|---------|---------|

Adjusted Operating surplus / (deficit)**Net outlays on existing assets**

| | | |
|---|---------------|---------------|
| Capital expenditure on renewal and replacement of existing assets | (12,098) | (15,110) |
| Add back depreciation, amortisation and impairment | 28,029 | 25,537 |
| Add back proceeds from sale of replaced assets | 1,610 | 1,361 |
| | 17,541 | 11,788 |

Net outlays on new and upgraded assets

| | | |
|--|----------------|----------------|
| Capital expenditure on new and upgraded assets (including investment property and real estate developments) | (24,950) | (13,839) |
| Add back amounts received specifically for new and upgraded assets | 5,220 | 2,516 |
| Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale) | 11,606 | 4,334 |
| | (8,124) | (6,989) |

Annual net impact to financing activities (surplus/(deficit))

| | | |
|--|---------------|---------------|
| | 21,336 | 16,139 |
|--|---------------|---------------|

City of Playford

Financial Statements 2023

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

Building

Community building leases include Elizabeth Rise Community Centre.
The rent is increased by market rent review or CPI annually.

Plant and Equipment

Includes photocopiers and vehicles leasing. The leases are fixed repayments.

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

| | Building \$ '000 | Plant and Equipment \$ '000 | Total \$ '000 |
|----------------------------------|---------------------|-----------------------------------|------------------|
| 2023 | | | |
| Opening balance | 80 | 201 | 281 |
| Additions to right-of-use assets | 2 | 35 | 37 |
| Depreciation charge | (21) | (134) | (155) |
| Balance at 30 June | 61 | 102 | 163 |
| 2022 | | | |
| Opening balance | 100 | 158 | 258 |
| Additions to right-of-use assets | – | 157 | 157 |
| Depreciation charge | (20) | (114) | (134) |
| Balance at 30 June | 80 | 201 | 281 |

(b) Lease liabilities

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

| | 2023 \$ '000 | 2022 \$ '000 |
|---------------------------|-----------------|-----------------|
| Balance at 1 July | 283 | 261 |
| Additions | 37 | 157 |
| Accretion of interest | 5 | 5 |
| Payments | (158) | (140) |
| Balance at 30 June | 167 | 283 |
| Classified as: | | |
| Current | 91 | 140 |
| Non-current | 76 | 143 |

continued on next page ...

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City of Playford

Financial Statements 2023

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

Note 17. Leases (continued)

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

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

The following are the amounts recognised in the Statement of Comprehensive Income:

| | | |
|--|------------|------------|
| Depreciation expense of right-of-use assets | 155 | 132 |
| Interest expense on lease liabilities | 5 | 5 |
| Total amount recognised in profit or loss | 160 | 137 |

(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). Rentals received from such leases are disclosed in user charges (hall and equipment hire) in Note 2.

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

Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:

| | | |
|--|--------------|--------------|
| Not later than one year | 1,077 | 1,056 |
| Later than one year and not later than 5 years | 1,528 | 1,845 |
| Later than 5 years | 1,974 | 809 |
| | 4,579 | 3,710 |

City of Playford

Financial Statements 2023

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

Note 18. Superannuation

Contribution to Superannuation Scheme

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

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation 10.50% (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% (3% 2021/22) of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 20 June 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.

City of Playford

Financial Statements 2023

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

Note 19. Interests in other entities

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

| | Council's Share of Net Income | | Council's Share of Net Assets | |
|--|-------------------------------|------------|-------------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Council's share of net income | | | | |
| Joint ventures | (303) | 765 | 10,178 | 10,759 |
| Total Council's share of net income | (303) | 765 | 10,178 | 10,759 |

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

(a) Carrying amounts

| | Principal Activity | 2023 | 2022 |
|---|-----------------------|---------------|---------------|
| | | \$ '000 | \$ '000 |
| Northern Adelaide Waste Management (NAWMA) | Waste Management | 3,691 | 4,080 |
| Gawler River Flood Management Authority (GRFMA) | Floodplain Management | 6,487 | 6,679 |
| Total carrying amounts - joint ventures and associates | | 10,178 | 10,759 |

Northern Adelaide Waste Management (NAWMA)

The Northern Adelaide Waste Management Authority (NAWMA) manages recycling, waste collection and waste disposal for the City of Playford, City of Salisbury and Town of Gawler. Contributions are made towards waste collection, disposal and kerbside recycling and administration.

The City of Playford has a 33.50% equity interest in NAWMA for the year ended 30 June 2023 (2022: 36.50%). NAWMA has loan borrowings of \$8.98 million as at 30 June 2023. The City of Playford's share of borrowings is \$3.0 million.

Gawler River Flood Management Authority (GRFMA)

The Gawler River Floodplain Management Authority (GRFMA) was established in August 2002 to construct, operate and maintain flood mitigation infrastructure in the Gawler River area. Contributions are made to the administrative expenses of the Authority.

The City of Playford has a 30.60% equity interest in GRFMA as at 30 June 2023 (2022: 30.90%).

(b) Relevant interests

| | Interest in Operating Result | | Ownership Share of Equity | | Proportion of Voting Power | |
|---|------------------------------|-------|---------------------------|-------|----------------------------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Northern Adelaide Waste Management (NAWMA) | 33.5% | 36.5% | 33.5% | 36.5% | 33.3% | 33.3% |
| Gawler River Flood Management Authority (GRFMA) | 30.6% | 30.9% | 30.6% | 30.9% | 17.0% | 17.0% |

continued on next page ...

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City of Playford

Financial Statements 2023

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

Note 19. Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

| | Northern Adelaide Waste Management (NAWMA) | | Gawler River Flood Management Authority (GRFMA) | |
|---|--|--------------|---|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Opening Balance | 4,080 | 3,117 | 6,679 | 6,848 |
| Share in Operating Result | (188) | 842 | (115) | (77) |
| Share in Other Comprehensive Income | 131 | — | (6) | — |
| Adjustments to Equity | (332) | 121 | (71) | (92) |
| Council's equity share in the joint venture or associate | 3,691 | 4,080 | 6,487 | 6,679 |

(d) Share of Joint Operations Expenditure Commitments

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

| | 2023 | 2022 |
|--|--------------|---------------|
| | \$ '000 | \$ '000 |
| Not later than one year | 5,605 | 6,239 |
| Later than one year and not later than 5 years | 2,185 | 6,947 |
| | 7,790 | 13,186 |

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

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

Carrying Amounts of Assets and Liabilities

Assets

| | | |
|---------------------|------------|--------------|
| Asset Held for Sale | 362 | 5,156 |
| Total assets | 362 | 5,156 |
| Net assets | 362 | 5,156 |

These assets were previously classified as part of Land in Note 7a.

Prior to transferring to non-current assets held for sale, the land was revalued to reflect its fair value.

City of Playford

Financial Statements 2023

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

Note 21. Contingencies and assets/liabilities not recognised in the balance sheet

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

1. Land under roads

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

At reporting date, Council controlled 932 km of road reserves of average width 15 metres.

2. Potential insurance losses

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

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

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

3. Bank guarantees

Council may guarantee certain loans and other banking facilities advanced to community organisations and sporting bodies. As at 30 June 2023 the amount guaranteed was \$nil (2022: \$nil).

Council holds guarantee for certain procurement contracts. As at 30 June 2023 the amount held in guarantees was \$1.5M (2022: \$1.3M).

4. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development & Infrastructure Act 2016* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of one appeal against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. Indenture

As part of the indenture entered into in July 1998 by the South Australian Housing Trust (SAHT) and Council, the SAHT have maintained a trust account. These monies are to be used to assist in refurbishment of the areas in which SAHT houses are concentrated. The current balance of this account is \$1.44 million (2022: \$1.44 million).

At the time of expenditure Council assumes ownership of the asset.

Note 22. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2023, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

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

City of Playford

Financial Statements 2023

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

Note 23. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 47 persons were paid the following total compensation.

| | 2023 \$ '000 | 2022 \$ '000 |
|---|-----------------|-----------------|
| The compensation paid to key management personnel comprises: | | |
| Short-term employee benefits | 4,727 | 4,605 |
| Termination benefits | 65 | 61 |
| Councillor Allowances | 440 | 431 |
| Total | 5,232 | 5,097 |

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

Receipts from key management personnel comprise:

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

| | | |
|--|----------|----------|
| Planning and building application Fees | 1 | 1 |
| Total | 1 | 1 |

Three close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Key management personnel or close family members (including related parties) lodged a total of one planning and building applications during the year. These people took no part in the assessment or approval process for this applications.

City of Playford

Financial Statements 2023

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

Note 24. Council information and contact details

Principal place of business:

10 Playford Boulevard
Elizabeth SA 5112

Contact details**Mailing Address:**

12 Bishopstone Road
Davoren Park SA 5113

Telephone: 08 8256 0333**Facsimile:** 08 8256 0578**Opening hours:**

9am-5pm
Monday to Friday

Internet: www.playford.sa.gov.au**Email:** playford@playford.sa.gov.au**Officers****Chief Executive Officer**

Sam Green

AUDITORS

BDO
Level 7, 420 King William Street
Adelaide SA 5000
AUSTRALIA
Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

Elected members**Mayor**

Glenn Docherty

Councillor

Cr Agapios (Peter) Rentoulis
Cr Akram Arifi
Cr Andrew Craig
Cr Chantelle Karlsen
Cr Clint Marsh
Cr David Kerrison
Cr Esperanza (Jane) Onuzans
Cr Gay Smallwood-Smith
Cr Katrina Stroet
Cr Marilyn Baker
Cr Misty Norris
Cr Rebecca Vandepeear
Cr Shirley Halls
Cr Tanya Smiljanic
Cr Zahra Bayani

Other information**ABN:** 99 397 793 662

City of Playford

Financial Statements 2023

General Purpose Financial Statements for the year ended 30 June 2023

Independent Auditor's Report - Financial Statements

You have not selected a PDF for printing.

City of Playford

Financial Statements 2023

General Purpose Financial Statements for the year ended 30 June 2023

Independent Auditor's Report - Internal Controls

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Financial Statements 2023

City of Playford**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 Playford for the year ended 30 June 2023, the Council's Auditor, BDO 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*.



Sam Green

Chief Executive Officer

Mark Labaz

Presiding Member, Corporate Governance Committee**Date: 3 October 2023**

City of Playford

Financial Statements 2023

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Playford 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, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Auditor's Name

Audit Firm Name

Date: 03 October 2023



CITY OF PLAYFORD

Annual completion report

YEAR ENDED 30 JUNE 2023

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Dear Corporate Governance Committee members

We are pleased to present this report to the Corporate Governance Committee of City of Playford in relation to the 30 June 2023 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Corporate Governance Committee meeting on 3 October 2023 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082.

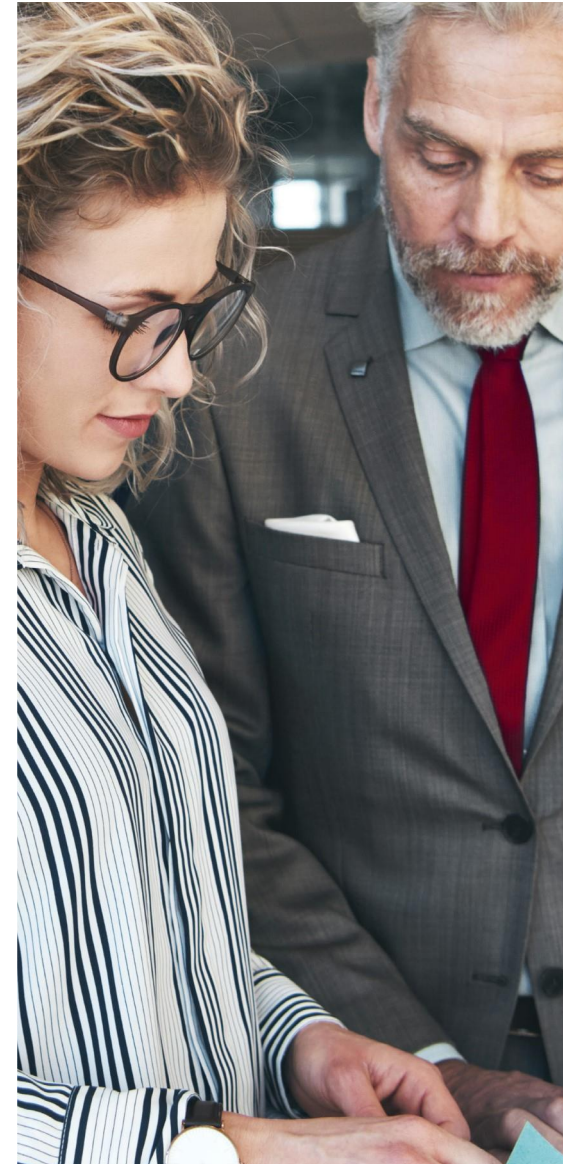
We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully



Andrew Tickle
Engagement Partner

Adelaide, 15 September 2023





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Corporate Governance Committee. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* for the year ended 30 June 2023.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Clearance of final audit queries in relation to the revaluation
- ▶ Satisfactory review by our appointed engagement quality review partner
- ▶ Review of events subsequent to 30 June 2023 to date of signing the audit report
- ▶ Receipt of written management representations on various matters
- ▶ Receipt of formally adopted financial statements and agreement of these to drafts previously provided

A draft of the proposed audit report is included at [Appendix 1](#).

SUMMARY OF MISSTATEMENTS

We have not identified any corrected or uncorrected misstatements during our audit.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant and elevated risks of material misstatement. These areas of focus are outlined below:

- ▶ Revaluation of infrastructure, property, plant and equipment
- ▶ Accounting treatment of Capital Work in Progress (WIP)
- ▶ Management override of controls
- ▶ Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2023

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.



AREAS OF AUDIT FOCUS

In assessing the risks of material misstatement at the planning phase, we used a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered key areas of focus along with an outline of the work performed and a summary of findings.

| REVALUATION OF INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT | | |
|---|--|---|
| Description | Audit work performed | Summary of findings |
| Council's infrastructure, property, plant and equipment is carried at valuation. There is a risk that these balances are misstated as a result of the application and inappropriate valuation methodologies, or incorrect underlying assumptions. | <p>This year certain classes of Council assets were revalued by Council employees based on:</p> <ul style="list-style-type: none"> Land and Buildings: an indexation reflecting annual average movement value of like assets Infrastructure: the unit rates were based on the average contractors charged for the works <p>We have obtained details of these calculations and tested their accuracy.</p> | <p>We noted that the revaluation resulted in the following increments / (decrements), rounded to the nearest '000:</p> <ul style="list-style-type: none"> Land \$35,344,000 Buildings \$6,463,000 Infrastructure \$46,459,000 <p>Our work in relation to our review of the valuation is substantially complete without any issued identified and we are currently working with management to finalise queries relating to:</p> <ul style="list-style-type: none"> the indexation rate used for infrastructure. Components of the movement for the revaluation reserve for land. <p>We will provide a update at the meeting and confirm the final position at this point.</p> |



AREAS OF AUDIT FOCUS *CONTINUED*

ACCOUNTING TREATMENT OF CAPITAL WORK IN PROGRESS (WIP)

| Description | Audit work performed | Summary of findings |
|---|--|---|
| There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards. | We obtained the Capital WIP schedule and reviewed in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We also reviewed a sample of assets transferred out of Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class was appropriate. | No issues were noted in relation to the accounting treatment of capital work in progress. |

MANAGEMENT OVERRIDE OF INTERNAL CONTROLS

| Description | Audit work performed | Summary of findings |
|--|---|---|
| Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively. | We reviewed key internal controls at the Council to mitigate the risk of management override. We tested the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We also reviewed accounting estimates for bias, and evaluated the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appeared to be unusual. | There was no evidence of misstatement due to management override of controls noted. |



CUT-OFF OF GRANT FUNDING AND ACCURACY OF ANY AMOUNTS DEFERRED AT 30 JUNE 2023

| Description | Audit work performed | Summary of findings |
|--|---|--|
| There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards. | We obtained the schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtain the agreements to test that funding had been recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities. | No issues were noted in relation to the accounting treatment of grant funding. |

A photograph of a woman with short dark hair and black-rimmed glasses, smiling. The photo is partially obscured by a white rectangular box containing the text 'INTERNAL CONTROL'.

INTERNAL CONTROL

CURRENT YEAR

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Corporate Governance Committee.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Corporate Governance Committee.

INTERNAL CONTROL RISK ASSESSMENT

We have completed the testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. This work focuses on controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

We have been advised by the management that no risk assessment was performed for this financial year. Instead, self-assessment was performed over all 'core controls' that are suggested per Better Practice Model.

For the purpose of our internal control audit opinion, we have performed our own risk assessment to identify the key financial risks facing the Council, determine the inherent risk level and evaluate core controls activities to address this risk. Based on this work, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls.

Below is a table that shows the results of the work completed on internal controls in 2023:

| RISK CATEGORY | Controls tested | Effective | Ineffective |
|------------------------------|-----------------|-----------|-------------|
| Strategic Financial Planning | - | - | - |
| Assets | 20 | 20 | - |
| Liabilities | 8 | 8 | - |
| Revenue | 15 | 15 | - |
| Expenses | 29 | 29 | - |
| External Services | - | - | - |
| Financial Governance | - | - | - |
| Total | 74 | 74 | - |

Based on the work completed, we have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of Playford.

The *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF PLAYFORD

Report on the Audit of the Financial Report

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the *Local Government Act 1999* and 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 confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.



APPENDIX 1 PROPOSED AUDIT REPORT *CONTINUED*

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 an 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, XX Month 2023



APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Playford 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 (including Independence Standards)* (the Code), 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*.

Andrew Tickle
Director

BDO Audit Pty Ltd
Adelaide, XX Month 2023



APPENDIX 3 NEW DEVELOPMENTS

REVISIONS TO THE PROVISION OF NON-ASSURANCE SERVICES

The Accounting Professional and Ethical Standards (APES) Board has reviewed and revised the Non-Assurance Services (NAS) Provisions in APES 110 Code of Ethics for Professional Accountants (including independence standards) and issued an amending standard on 21 December 2022. The revisions strengthen the independence standards by addressing public interest concerns about independence when firms provide NAS to their audit clients.

Amongst the key changes proposed to the non-assurance services provisions are:

- ▶ Strengthened provisions regarding auditor communication. There is now a requirement for Those Charged with Governance (TCWG) at a public interest entity (PIE) audit client to concur with BDO's assessment of the threats associated with the non-assurance services prior to the non-assurance services commencing.
- ▶ A new general prohibition in providing non-assurance services to a PIE audit client, if a self-review threat to auditor independence will be created.
- ▶ Further tightening of the circumstances in which materiality may be considered in determining the permissibility of a non-assurance service. Materiality is no longer a consideration for PIE audit clients in assessing the self-review threat.

EFFECTIVE DATE

The APES Board has advised that these amendments will take effect from 1 July 2023, with early adoption permitted.

AMENDMENTS TO THE FEE-RELATED PROVISIONS OF APES 110 CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS (INCLUDING INDEPENDENCE STANDARDS)

To enhance and strengthen the communication between the auditor and TCWG, and to enable TCWG to have effective oversight over the independence of the auditor, the revised provisions on fees contain new transparency requirements. The APES Board has issued an amending standard in relation to the amendments to the fee-related provisions within the APES 110 Code of Ethics for Professional Accountants (the Code). The key changes include:

- ▶ Communication to TCWG at a PIE audit client, the fees and assessment thereof for non-assurance services. The purpose of this communication is to provide the background and context for the client to concur that the fees and levels of fees does not impair BDO's independence.
- ▶ Enhanced guidance on identifying, evaluating and addressing threats to independence in relation to other fee-related matters, including the proportion of fees for services other than audit to the audit fee.
- ▶ Communication of information related to the audit fee to the client and to the public to assist them in forming a view that auditor independence is not compromised.
- ▶ A prohibition on firms allowing the audit fee to be influenced by the provision of services other than audit to the audit client.
- ▶ In the case of PIE audit clients, a requirement to cease to act as auditor if fee dependency on the audit client continues beyond a specified period.

These provisions will be effective for audits and reviews of financial statements for periods beginning on or after 1 January 2023.



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

PRACTICAL APPLICATION FOR THOSE CHARGED WITH GOVERNANCE

To facilitate compliance with the above requirements, your BDO Audit Engagement Partner will discuss and agree on a process, including:

- ▶ Identifying all entities within a corporate structure to which the revised provisions would apply.
- ▶ Establishing how TCWG have determined that authority for approving services is to be allocated.
- ▶ Understanding the information that will be communicated to TCWG to assist them in concurring with the assessment of the services and fees.

UPCOMING CHANGES IN FINANCIAL REPORTING

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2024, there are five main changes to the classification requirements within AASB 101 *Presentation of financial statements*:

- ▶ The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
- ▶ The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
- ▶ Classification is based on the right to defer settlement, and not intention (paragraph 73), and

- ▶ If the right to defer settlement of a liability arising from a loan arrangement is dependent upon the entity complying with specified conditions in that loan arrangement, such covenants only affect the entity's right to defer settlement for at least twelve months after the reporting period if the entity must comply with the covenants **on or before the end of the reporting period**.
- ▶ If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

AASB 2021-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DISCLOSURE OF ACCOUNTING POLICIES AND DEFINITION OF ACCOUNTING ESTIMATES

Effective for annual reporting periods beginning on or after 1 January 2023, this new amendment introduces a definition of 'accounting estimate', i.e. monetary amounts in financial statements that are subject to estimation uncertainty, such as estimating expected credit losses for receivables, or estimating the fair value of an item recognised in the financial statements at fair value.

Accounting estimates are developed using measurement techniques and inputs. Measurement techniques comprise estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value).

The amendments clarify that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.



APPENDIX 3 NEW DEVELOPMENTS CONTINUED

There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to changes in accounting estimates that occur on or after the beginning of the first annual reporting period to which these amendments apply, i.e. annual periods beginning on or after 1 July 2023.

DISCLOSURES

Only 'material' accounting policy information must be disclosed in the financial statements, i.e. if it relates to material transactions, other events, or conditions and:

- ▶ The entity has changed its accounting policy during the period.
- ▶ There are one or more accounting policy options in Accounting Standards
- ▶ The accounting policy was developed applying the hierarchy in AASB 108 because there is no specific IFRS dealing with the transaction.
- ▶ Significant judgement was required in applying the accounting policy.
- ▶ The accounting is complex, e.g. more than one IFRS applies to the transaction.

For further guidance, refer to the 'Considerations for Management when determining accounting estimates and related disclosures' [Briefing](#) issued by IAASB. This Briefing provides an overview of matters for management to consider in preparing for and responding to the significant revisions in, and the auditor's requests pertaining to ASA 540 Revised *Auditing Accounting Estimates and Related Disclosures*.

APPENDIX 3 NEW DEVELOPMENTS CONTINUED

ASIC GUIDANCE FOR DIRECTORS ON FEATURES OF AN AUDIT COMMITTEE THAT SUPPORT AUDIT QUALITY

ASIC recently updated Information Sheet 196 *Audit quality - The role of directors and audit committees* ([Info Sheet 196](#)) to include a new section, [What features of an audit committee support audit quality?](#), which is based on the [IOSCO report on good practices for audit committees in supporting audit quality](#) (issued January 2019).

The key features of a supportive audit committee are summarised in the diagram below:





APPENDIX 3 NEW DEVELOPMENTS CONTINUED

ASIC GUIDANCE FOR DIRECTORS ON FEATURES OF AN AUDIT COMMITTEE THAT SUPPORT AUDIT QUALITY (CONTINUED)

Info Sheet 196 also includes sections explaining:

- ▶ Why audit quality is important.
- ▶ The auditor's responsibilities
- ▶ The roles of directors and audit committees
- ▶ The directors' responsibilities for auditor independence
- ▶ Who should manage the appointment of auditors
- ▶ What matters should be considered when setting audit fees
- ▶ How directors and audit committees can promote audit quality
- ▶ Possible reporting considerations for directors.

AUDIT COMMITTEE MEMBERS SHOULD HAVE GOOD FINANCIAL REPORTING KNOWLEDGE

Three of the seventeen features that an audit committee should have to support them with quality are related to financial reporting knowledge, i.e.:

- ▶ At least one member should have good financial reporting knowledge (preferably the Chair)
- ▶ Committee members as a whole should have an appropriate understanding of financial reporting and audit.
- ▶ There should be introductory and ongoing training for audit committee members on financial reporting.

HOW CAN BDO HELP?

BDO's [IFRS & Corporate Reporting team](#) has specialist expertise in financial reporting, including international financial reporting standards (IFRS) and other financial reporting regulatory matters, and we can help train or provide advice to your committee on a variety of topics. Please [contact us](#) for more information.



APPENDIX 4 CLIMATE RISKS AND FINANCIAL REPORTING

CLIMATE RELATED FINANCIAL DISCLOSURES

In December 2022, in anticipation of the release of forthcoming sustainability standards, the Australian Government opened its first round of consultation on '[Climate-related financial disclosures](#)'. The process closed in February 2023, when the Government received nearly 200 responses.

In June 2023, the [ISSB issued its first two sustainability standards](#):

- ▶ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and
- ▶ IFRS S2 Climate-related Disclosures.

According to the ISSB, these standards become effective from 1 January 2024, subject to endorsement in each respective jurisdiction.

The day after the ISSB standards' release, the Australian Government announced its second round of consultation on implementing climate-related financial disclosures in Australia.

WHICH ENTITIES WILL BE IMPACTED?

One of the key changes is a revised approach to the order of entities being introduced to mandatory climate-related reporting. While the previous consultation paper suggested focusing on large listed and large financial service providers, the new approach includes listed and non-listed organisations. The focus is still on the size of the organisation - starting with the 'big end of town' - and organisations that meet the reporting requirements of the [National Greenhouse and Energy Reporting \(NGER\) Scheme](#).

The introduction of mandatory reporting will still phase in (now across four years) to allow the market to upskill and prepare.

To find out when the climate-related reporting requirements may impact you, and what category you fall into, refer to BDO's IFRS & Corporate Reporting team's [ESG and Sustainability insights](#) and the proposed roadmap as set out by [Treasury](#).

WHAT HAPPENS NEXT?

Organisations of all sizes - whether listed or private - should take note of the group they fall into to anticipate what the mandatory reporting implications might be, both now and with consideration of any future growth plans.

Regardless of status, entities should also assess and reflect on the organisations in their supply chain. With Scope 3 emissions - as required to be measured and reported under IFRS S2 - a reflection of the emissions from an organisation's supply chain, organisations of all sizes are likely to be impacted by the introduction of mandatory reporting. As group one entities begin to measure and report emissions, Scope 3 could become a key component of emission reduction strategies. By having accurate, reportable data and a decarbonisation strategy, organisations of all sizes can positively impact their supply chain before mandatory reporting even knocks on their door.

To understand more about what this means for your business, please contact our [National Sustainability Team](#).



APPENDIX 5 ESG AND YOUR BUSINESS

WHAT IS ESG?

ESG is the acronym for Environmental, Social and Governance. It is a holistic concept about an organisation's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

ESG metrics are not part of mandatory [financial reporting](#) required by Australian Accounting Standards or International Financial Reporting Standards, but organisations across the world are increasingly making disclosures in their annual report or in a standalone sustainability report.

ESG is used as a framework to assess how an organisation manages risks and opportunities that changing market and non-market conditions create. ESG also puts a heavy emphasis on risk management, because monitoring and mitigating risks across all three dimensions is an important priority for any company that is serious about ESG. The three categories of ESG factors are as follow:

- ▶ **Environmental** factors address an organisation's environmental impact and environmental stewardship. It is focused on improving the environmental performance of an organisation.
- ▶ **Social** factors refer to how an organisation manages relationships with, and creates value for, stakeholders. The social dimension is focused on an organisation's impact on its employees, customers and the community.
- ▶ **Governance** factors refers to an organisation's leadership and management philosophy, practices, policies, internal controls, and shareholder rights. The governance dimension is focused on an organisation's leadership and structure.

WHY IS ESG IMPORTANT FOR YOUR BUSINESS?

Investors across the globe are increasingly demanding organisations to outline their ESG framework and approach in order to assess the organisation's long-term sustainability. ESG has a potential significant impact on the following fundamental business issues relevant to the long-term success of the organisation:

- ▶ **Corporate reputation** - ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholder groups.
- ▶ **Risk reduction** - ESG can assist with the identification of immediate and long-term risks depending on the industry and business model.
- ▶ **Opportunity management** - Shifting market and non-market conditions can expose unmet needs for new products and/or services, potential customer bases, and potential strategic relationships for addressing ESG issues.
- ▶ **Culture & intrinsic value** - ESG maturity is an indicator of a company's commitment to building a high performing, purpose-driven workforce and inclusive culture.

A robust ESG strategy can help attract the right talent and investors. To achieve a shift in sustainability we need to stop viewing ESG as a 'nice to have', it should be part of business strategy and risk management which can have a direct and positive impact on financial performance.

If you would like to speak with us about implementing an ESG framework in your organisation or providing assurance on your framework, please contact your audit engagement partner initially.

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We have prepared this report solely for the use of City of Playford. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Attachment 4

City of Playford
Statement of Comprehensive Income
For the year ended 30 June 2023

| 2021/22 Actual | 2022/23 Original Budget | 2022/23 Actual | Variance Fav/ (Unfav) | Variance Fav/ (Unfav) | Explanation of variance where considered material |
|--|-------------------------------|-------------------|-----------------------------|-----------------------------|--|
| \$000's | \$000's | \$000's | \$000's | % | |
| INCOME | | | | | |
| 86,346 Rates | 91,585 | 91,750 | 165 | 0% | |
| 2,852 Statutory Charges | 2,233 | 3,169 | 936 | 42% | Higher application volumes, Section 7 searches and building compliance fines. |
| 3,929 User Charges | 6,008 | 3,881 | (2,127) | (35%) | Original Budget included internal transactions not recognised in the Financial Statements (\$1.7M), lower water recovery due to wetter summer. |
| 10 Investment Income | 9 | 56 | 47 | 522% | Increased interest rates. |
| 905 Reimbursements | 517 | 1,094 | 577 | 112% | Additional recoveries from Developers. |
| 205 Other Income | 203 | 710 | 507 | 250% | Higher Local Government Financing Authority distribution and insurance claims. |
| 8,140 Grants, subsidies and contributions - capital | 5,099 | 8,675 | 3,576 | 70% | Higher developer contributions. |
| 21,010 Grants, subsidies and contributions - operating | 15,130 | 24,012 | 8,882 | 59% | Prepayment of Federal Assistance Grants. |
| 842 Net Gain - Equity Accounted Council Businesses | 33 | - | (33) | (100%) | Council share of Loss for NAWMA. |
| 124,239 TOTAL INCOME | 120,817 | 133,347 | 12,530 | 10% | |
| EXPENSES | | | | | |
| 41,719 Employee costs | 44,277 | 42,828 | 1,449 | 3% | Reduced costs due to vacant and delays in filling positions. |
| 37,507 Materials, contracts and other expenses | 41,987 | 41,243 | 744 | 2% | |
| 3,847 Finance costs | 5,001 | 3,895 | 1,106 | 22% | Delay in capital projects resulting in lower debt. |
| 25,537 Depreciation, Amortisation and Impairment | 27,572 | 28,029 | (457) | (2%) | |
| 77 Net Loss - Equity Accounted Council Businesses | 100 | 303 | (203) | (203%) | Council share of GRFMA and NAWMA. |
| 108,687 TOTAL EXPENSES | 118,937 | 116,298 | 2,639 | | |
| 15,552 Operating Surplus / (Deficit) | 1,880 | 17,049 | 15,169 | | |
| (4,769) Asset disposal and fair value adjustments | 3,844 | 1,612 | (2,232) | (58%) | The budget is an estimate only based on the best available information at the time. |
| 2,516 Amounts Received Specifically for New or Upgraded Assets | 11,436 | 5,220 | (6,216) | (54%) | Grants to be carried forward for capital projects not completed in 22/23. |
| 48,511 Physical Resources Received Free of Charge | 15,894 | 21,571 | 5,677 | 36% | Actual value of assets received is dependant on the progress of developments. |
| 61,810 NET SURPLUS / (DEFICIT) | 33,054 | 45,452 | (2,771) | (8%) | |
| Other Comprehensive Income | | | | | |
| 215,794 Changes in Revaluation Surplus - I,PP&E | 29,181 | 88,266 | 59,085 | 202% | |
| - Share of other comprehensive income - equity accounted council businesses | - | 125 | 125 | 100% | |
| 29 Other Equity Adjustments - Equity Accounted Council Businesses | - | (403) | (403) | (100%) | |
| (689) Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve | - | 524 | 524 | 100% | |
| 215,134 Total Other Comprehensive Income | 29,181 | 88,512 | 59,331 | | |
| 276,944 TOTAL COMPREHENSIVE INCOME | 62,235 | 133,964 | 56,560 | | |

Attachment 4

City of Playford
Year End Balance Sheet
For the year ended 30 June 2023

| 2021/22 Actual \$000's | 2022/23 Original Budget \$000's | 2022/23 Actual \$000's | Variance Inc/(Dec) \$000's | Variance Inc/(Dec) % | Explanation of variance where considered material |
|--------------------------------|--|------------------------------|----------------------------------|----------------------------|---|
| CURRENT ASSETS | | | | | |
| 1,818 | 1,500 | 15,403 | 13,903 | 927% | Additional funds held in trust and prepayment in Federal Assistance Grants |
| 6,403 | 6,521 | 13,924 | 7,403 | 114% | The budget is an estimate only based on the best available information at the time |
| 192 | 180 | 254 | 74 | 41% | The budget is an estimate only based on the best available information at the time |
| 23 | - | 24 | 24 | 100% | The budget is an estimate only based on the best available information at the time |
| 757 | 581 | 897 | 316 | 54% | The budget is an estimate only based on the best available information at the time |
| 5,156 | - | 362 | 362 | 100% | |
| 14,349 | 8,782 | 30,864 | 22,082 | | |
| NON-CURRENT ASSETS | | | | | |
| 273 | 248 | 248 | - | 0% | |
| 10,759 | 9,829 | 10,178 | 349 | 4% | |
| 1,527,134 | 1,596,551 | 1,620,697 | 24,146 | 2% | |
| 12,726 | 16,361 | 31,754 | 15,393 | 94% | Large projects not completed by 30 Jun 23 carrying into 23/24. |
| 1,550,892 | 1,622,989 | 1,662,877 | 39,888 | | |
| 1,565,241 | 1,631,771 | 1,693,741 | 61,970 | | |
| CURRENT LIABILITIES | | | | | |
| 20,575 | 18,524 | 20,581 | 2,057 | 11% | The budget is an estimate only based on the best available information at the time |
| 6,314 | 7,011 | 6,531 | (480) | (7%) | |
| 6,429 | 6,210 | 6,268 | 58 | 1% | |
| 33,318 | 31,745 | 33,380 | 1,635 | | |
| NON-CURRENT LIABILITIES | | | | | |
| 100,269 | 135,885 | 94,722 | (41,163) | (30%) | Borrowings lower than budget due to Financial Assistance Grants paid in advance and delays in capital spend |
| 1,269 | 1,306 | 1,290 | (16) | (1%) | |
| 101,538 | 137,191 | 96,012 | (41,179) | | |
| 134,856 | 168,936 | 129,392 | (39,544) | | |
| 1,430,385 | 1,462,835 | 1,564,349 | 101,514 | | |
| EQUITY | | | | | |
| 415,270 | 574,115 | 447,720 | (126,395) | (22%) | Transfer between reserves for 21/22 actual, reduced opening balance |
| 1,001,855 | 886,953 | 1,100,688 | 213,735 | 24% | Transfer between reserves for 21/22 actual, reduced opening balance, revaluation 22/23 |
| 13,260 | 1,767 | 15,941 | 14,174 | 802% | Higher developer contributions than budgeted and delayed capital spending for reserves funded projects |
| 1,430,385 | 1,462,835 | 1,564,349 | 101,514 | | |

Attachment 4

City of Playford
Statement of Changes in Equity
For the year ended 30 June 2023

| 2021/22 Actual \$000's | | 2022/23 Original Budget \$000's | 2022/23 Actual \$000's | Variance Inc/(Dec) \$000's | Variance Inc/ (Dec) % | Explanation of variance where considered material |
|----------------------------------|--|--|------------------------------|----------------------------------|-----------------------------|---|
| ACCUMULATED SURPLUS | | | | | | |
| 496,160 | Balance at end of previous reporting period | 532,797 | 415,270 | (117,527) | (22%) | |
| 61,810 | Net Surplus / (Deficit) for Year | 33,054 | 45,452 | 12,398 | 38% | See Statement of Comprehensive Income. |
| 16 | Adjustments (Correction of Prior Period Errors) | - | - | - | 0% | |
| 29 | Other Equity Adjustments - Equity Accounted Council Businesses | - | (403) | (403) | (100%) | Non budgeted line. |
| (67,458) | Transfer to Accumulated Surplus on Sale of I,PP&E | - | (9,918) | (9,918) | (100%) | Non budgeted line. |
| (75,287) | Transfers between Reserves | 8,264 | (2,681) | (10,945) | (132%) | Delays in capital spend. |
| 415,270 | Balance at end of reporting period | 574,115 | 447,720 | (126,395) | | |
| ASSET REVALUATION RESERVE | | | | | | |
| 645,797 | Balance at end of previous reporting period | 857,772 | 1,001,855 | 144,083 | 17% | |
| | Other Comprehensive Income | | | | | |
| - | Share of OCI - equity accounted council businesses | - | 125 | 125 | 100% | Non budgeted line. |
| 215,794 | Gain(Loss) on revaluation of infrastructure, property, plant & equipment | 29,181 | 88,266 | 59,085 | 202% | Revaluation. |
| (689) | Impairment (expense) / recoupments offset to asset revaluation reserve | - | 524 | 524 | 100% | Reversal of prior impairment. |
| 67,458 | Transfers to accumulated surplus | - | 9,918 | 9,918 | 100% | Non budgeted line. |
| 73,495 | Transfers between Reserves | - | - | - | 0% | |
| 1,001,855 | Balance at end of reporting period | 886,953 | 1,100,688 | 213,735 | | |
| OTHER RESERVES | | | | | | |
| 11,468 | Balance at end of previous reporting period | 10,031 | 13,260 | 3,229 | 32% | |
| - | Transfers to accumulated surplus | (8,264) | - | 8,264 | 100% | Reduced due to delays in capital spend. |
| 1,792 | Transfers from accumulated surplus | - | 2,681 | 2,681 | 100% | Higher developer contributions than budgeted and delayed capital spending for reserves funded projects. |
| 13,260 | Balance at end of reporting period | 1,767 | 15,941 | 14,174 | | |
| 1,430,385 | TOTAL EQUITY AT END OF REPORTING PERIOD | 1,462,835 | 1,564,349 | 101,514 | | |
| 415,270 | Accumulated Surplus | 574,115 | 447,720 | (126,395) | (22%) | |
| 1,015,115 | Reserves | 888,720 | 1,116,629 | 227,909 | 26% | |
| 1,430,385 | TOTAL EQUITY AT END OF REPORTING PERIOD | 1,462,835 | 1,564,349 | 101,514 | | |

Attachment 4

City of Playford
Statement of Cash Flows
For the year ended 30 June 2023

| 2021/22 Actual \$000's | 2022/23 Original Budget \$000's | 2022/23 Actual \$000's | Variance Inc/(Dec) \$000's | Variance Inc/ (Dec) % | Explanation of variance where considered material |
|---|---------------------------------------|---------------------------------|----------------------------------|-----------------------------|--|
| Inflows / (Outflows) | Inflows / (Outflows) | Inflows / (Outflows) | Inflows / (Outflows) | | |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts | | | | | |
| 86,551 | 91,585 | 90,845 | (740) | (1%) | |
| 2,852 | 2,225 | 3,169 | 944 | 42% | Higher application volumes, Section 7 searches and building compliance fines |
| 4,242 | 5,994 | 4,184 | (1,810) | (30%) | Original Budget included internal transactions not recognised in the Financial Statements (\$1.7M), lower water recovery due to wetter summer. |
| 20,721 | 15,327 | 23,816 | 8,489 | 55% | Prepayment of Federal Assistance Grants. |
| 10 | 9 | 56 | 47 | 522% | Increased interest rates. |
| 980 | 520 | 1,160 | 640 | 123% | Additional recoveries from Developers. |
| 6,464 | 214 | 1,098 | 884 | 413% | Gross up of GST not budgeted. |
| Payments | | | | | |
| (41,885) | (44,142) | (42,977) | 1,165 | 3% | |
| (42,989) | (42,847) | (48,366) | (5,519) | (13%) | Gross up of GST not budgeted. |
| (3,847) | (5,001) | (3,895) | 1,106 | 22% | Delay in capital projects resulting in lower debt |
| 33,099 | 23,884 | 29,090 | 5,206 | | |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipts | | | | | |
| 138,615 | 13,723 | 75,950 | 62,227 | 453% | Budget doesn't include cash management activities during the year |
| - | - | 21 | 21 | 100% | Non budgeted line. |
| Payments | | | | | |
| (157,671) | (7,577) | (81,164) | (73,587) | (971%) | Budget doesn't include cash management activities during the year |
| (134) | (93) | (153) | (60) | (65%) | Additional leases. |
| (19,190) | 6,053 | (5,346) | (11,399) | | |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | | | | | |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | | | |
| Receipts | | | | | |
| 2,516 | 11,436 | 5,220 | (6,216) | (54%) | Grants to be carried forward for capital projects not completed in 22/23 |
| 8,507 | 5,099 | 8,429 | 3,330 | 65% | Higher developer contributions. |
| 1,361 | - | 1,610 | 1,610 | 100% | Non budgeted line. |
| 4,334 | 8,906 | 11,606 | 2,700 | 30% | Delayed Settlement from 21/22. |
| 18 | 23 | 24 | 1 | 4% | |
| Payments | | | | | |
| (15,110) | (16,167) | (12,098) | 4,069 | 25% | Delayed projects carry in, due to external factors |
| (13,839) | (39,234) | (24,950) | 14,284 | 36% | Delayed projects carry in, due to external factors |
| (12,213) | (29,937) | (10,159) | 19,778 | | |
| NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES | | | | | |
| 1,696 | - | 13,585 | 13,585 | 100% | |
| 122 | 1,500 | 1,818 | 318 | 21% | |
| 1,818 | 1,500 | 15,403 | 15,417 | | |
| CASH AT END OF REPORTING PERIOD | | | | | |

Attachment 4

City of Playford
Uniform Presentation of Finances
For the year ended 30 June 2023

| 2021/22 Actual \$000's | | 2022/23 Original Budget \$000's | 2022/23 Actual \$000's | Variance Fav/ (Unfav) \$000's | Variance Fav/ (Unfav) % | Explanation of variance where considered material |
|------------------------------|--|--|------------------------------|--|----------------------------------|--|
| | INCOME | | | | | |
| 86,346 | Rates | 91,585 | 91,750 | 165 | 0% | |
| 2,852 | Statutory Charges | 2,233 | 3,169 | 936 | 42% | Higher application volumes, Section 7 searches and building compliance fines |
| 3,929 | User Charges | 6,008 | 3,881 | (2,127) | (35%) | Original Budget included internal transactions not recognised in the Financial Statements (\$1.7M), lower water recovery due to wetter summer. |
| 10 | Investment Income | 9 | 56 | 47 | 522% | Increased interest rates. |
| 905 | Reimbursements | 517 | 1,094 | 577 | 112% | Additional recoveries from Developers. |
| 205 | Other Income | 203 | 710 | 507 | 250% | Higher Local Government Financing Authority distribution and insurance claims |
| 8,140 | Grants, Subsidies and Contributions - capital | 5,099 | 8,675 | 3,576 | 70% | Higher developer contributions. |
| 21,010 | Grants, Subsidies and Contributions - operating | 15,130 | 24,012 | 8,882 | 59% | Prepayment of Federal Assistance Grants. |
| 842 | Net Gain - Equity Accounted Council Businesses | 33 | - | (33) | (100%) | |
| 124,239 | TOTAL INCOME | 120,817 | 133,347 | 12,530 | | |
| | EXPENSES | | | | | |
| (41,719) | Employee costs | (44,277) | (42,828) | 1,449 | 3% | |
| (37,507) | Materials, contracts and other expenses | (41,987) | (41,243) | 744 | 2% | |
| (3,847) | Finance costs | (5,001) | (3,895) | 1,106 | 22% | Delay in capital projects resulting in lower debt |
| (25,537) | Depreciation, Amortisation and Impairment | (27,572) | (28,029) | (457) | (2%) | |
| (77) | Net Loss - Equity Accounted Council Businesses | (100) | (303) | (203) | (203%) | Council share of GRFMA and NAWMA. |
| (108,687) | TOTAL EXPENSES | (118,937) | (116,298) | 2,639 | | |
| 15,552 | Operating Surplus / (Deficit) | 1,880 | 17,049 | 15,169 | | |
| (4,212) | Timing adjustment for grant revenue | - | (5,130) | (5,130) | | |
| 11,340 | Adjusted Operating surplus/ (deficit) | 1,880 | 11,919 | 10,039 | | |
| | Net outlays on existing assets | | | | | |
| (15,110) | Capital expenditure on renewal and replacement of existing assets | (16,167) | (12,098) | 4,069 | 25% | Delay in projects, continuing into 23/24. |
| 25,537 | add back Depreciation, Amortisation and Impairment | 27,572 | 28,029 | 457 | 2% | |
| 1,361 | add back Proceeds from Sale of Replaced Assets | - | 1,610 | 1,610 | 0% | |
| 11,788 | Net Outlays on Existing Assets | 11,405 | 17,541 | 6,136 | | |
| | Net outlays on new and upgraded assets | | | | | |
| (13,839) | Capital expenditure on new and upgraded assets (including investment property and real estate developments) | (39,234) | (24,950) | 14,284 | 36% | Delay in projects, continuing into 23/24. |
| 2,516 | Add back Amounts Received Specifically for New and Upgraded Assets | 11,436 | 5,220 | (6,216) | (54%) | Grants to be carried forward for capital projects not completed in 22/23. |
| 4,334 | Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale) | 8,906 | 11,606 | 2,700 | 30% | Delayed Settlement from 21/22. |
| (6,989) | Outlays on New and Upgraded Assets | (18,892) | (8,124) | 10,768 | | |
| 16,139 | ANNUAL NET IMPACT TO FINANCING ACTIVITIES SURPLUS/(DEFICIT) | (5,607) | 21,336 | 26,943 | | |

INFORMAL DISCUSSION

6.1 Chief Executive Officer Review Committee Workplan

Attachments : 1 [↓](#). CEO Review Committee Workplan 2024

Presenter: Elena Casciano

Purpose: The Chief Executive Officer Review Committee workplan for the coming year will be presented to the Committee for review.

Duration: 10 minutes

[illegible]

INFORMAL DISCUSSION

8.1 QUARTER 1 KPI PERFORMANCE REVIEW & FINANCIAL UPDATE

Contact Person: Elena Casciano

Why is this matter before the Council or Committee?

Informal Discussion

Purpose

For Council to make a determination on whether to deal with this matter in confidence.

A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE**STAFF RECOMMENDATION**

Pursuant to Section 90(2) of the *Local Government Act 1999* an order is made that the public be excluded from attendance at the meeting, with the exception of:

- Chief Executive Officer;
- Alison Ashby, AM Consulting; and
- Senior Manager Families & Young People

in order to consider in confidence agenda item 8.1 under Sections 90(3)(a)(b)(d) of the *Local Government Act 1999* on the basis that:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); and
- (b) information the disclosure of which –
 - i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - ii) would, on balance, be contrary to the public interest; and
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –
 - i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
 - ii) would, on balance, be contrary to the public interest.

This matter is Confidential because the matter relates to information pertaining to the personal affairs of the Chief Executive Officer and contains sensitive financial information regarding Council projects, the disclosure of which would prejudice the commercial position of Council.

On the basis of this information, the principle that meetings should be conducted in a place open to the public has been outweighed in this instance; the Committee consider it necessary to consider this matter in confidence.

Section B below to be discussed in the confidential section of the agenda once the meeting moves into confidence for each item.

B. The Matters as per item 8.1**C. COMMITTEE TO DECIDE HOW LONG ITEM 8.1 IS TO BE KEPT IN CONFIDENCE
PURPOSE**

To resolve how long agenda item 8.1 is to be kept confidential.

STAFF RECOMMENDATION

Pursuant to Section 91(7) of the *Local Government Act 1999*, the Committee orders that the following aspects of Item 8.1 be kept confidential in accordance with Committee's reasons to deal with this item in confidence pursuant to Sections 90(3)(a)(b)(d) of the *Local Government Act 1999*:

- Attachment(s) for Item 8.1
- Minutes for Item 8.1

This order shall operate until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the *Local Government Act 1999*.