

# Mid Murray Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

---

*Prosperity, Liveability & Sustainability*



## General Purpose Financial Statements

for the year ended 30 June 2023

---

| Contents   | Page      |
|--|-----------|
| <b>Council certificate</b>                                   | <b>2</b>  |
| <b>Principal Financial Statements</b>                        |           |
| Statement of Comprehensive Income                            | 3         |
| Statement of Financial Position                              | 4         |
| Statement of Changes in Equity                               | 5         |
| Statement of Cash Flows                                      | 6         |
| <b>Notes to and forming part of the Financial Statements</b> | <b>7</b>  |
| <b>Independent Auditor's Report – Financial Statements</b>   | <b>47</b> |
| <b>Independent Auditor's Report – Internal Controls</b>      | <b>49</b> |
| <b>Certificates of Audit Independence</b>                    |           |
| Council Certificate of Audit Independence                    | 51        |
| Audit Certificate of Audit Independence                      | 52        |

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:

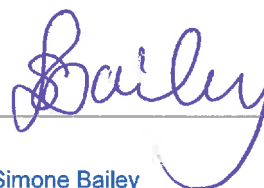
- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2023 and the results 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.



Ben Scales

Chief Executive Officer

14 November 2023



Simone Bailey

Mayor

14 November 2023

## Statement of Comprehensive Income

for the year ended 30 June 2023

| \$ '000  | Notes | 2023           | 2022            |
|--|-------|----------------|-----------------|
| <b>Income</b>  |       |                |                 |
| Rates  | 2a    | 17,787         | 16,584          |
| Statutory charges  | 2b    | 422            | 488             |
| User charges   | 2c    | 1,705          | 1,237           |
| Grants, subsidies and contributions - capital  | 2g    | 1,006          | —               |
| Grants, subsidies and contributions - operating                                      | 2g    | 9,305          | 6,743           |
| Investment income  | 2d    | 58             | 6               |
| Reimbursements   | 2e    | 324            | 236             |
| Other income   | 2f    | 514            | 353             |
| <b>Total income</b>  |       | <b>31,121</b>  | <b>25,647</b>   |
| <b>Expenses</b>  |       |                |                 |
| Employee costs   | 3a    | 9,288          | 8,174           |
| Materials, contracts and other expenses  | 3b    | 18,343         | 9,860           |
| Depreciation, amortisation and impairment  | 3c    | 6,190          | 6,725           |
| Finance costs  | 3d    | 270            | 234             |
| <b>Total expenses</b>  |       | <b>34,091</b>  | <b>24,993</b>   |
| <b>Operating surplus / (deficit)</b>   |       | <b>(2,970)</b> | <b>654</b>      |
| Asset disposal and fair value adjustments  | 4     | (148)          | (422)           |
| Amounts received specifically for new or upgraded assets                             | 2g    | 1,490          | 592             |
| <b>Net surplus / (deficit)</b>   |       | <b>(1,628)</b> | <b>824</b>      |
| <b>Other comprehensive income</b>  |       |                |                 |
| <b>Amounts which will not be reclassified subsequently to operating result</b>       |       |                |                 |
| Changes in revaluation surplus - I,PP&E  | 9a    | 5,204          | (30,312)        |
| Revaluation of Intangible assets   |       | —              | 1,704           |
| <b>Total amounts which will not be reclassified subsequently to operating result</b> |       | <b>5,204</b>   | <b>(28,608)</b> |
| <b>Total other comprehensive income</b>  |       | <b>5,204</b>   | <b>(28,608)</b> |
| <b>Total comprehensive income</b>  |       | <b>3,576</b>   | <b>(27,784)</b> |

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

## Statement of Financial Position

as at 30 June 2023

| \$ '000                                       | Notes | 2023           | 2022           |
|---|-------|----------------|----------------|
| <b>ASSETS</b>                                 |       |                |                |
| <b>Current assets</b>                         |       |                |                |
| Cash and cash equivalent assets               | 5a    | 1,380          | 1,659          |
| Trade and other receivables                   | 5b    | 3,861          | 2,715          |
| Inventories                                   | 5c    | 473            | 461            |
| <b>Total current assets</b>                   |       | <b>5,714</b>   | <b>4,835</b>   |
| <b>Non-current assets</b>                     |       |                |                |
| Trade and other receivables                   | 6a    | 186            | 208            |
| Other non-current assets                      | 6b    | 3,323          | 3,323          |
| Infrastructure, property, plant and equipment | 7     | 158,554        | 154,313        |
| <b>Total non-current assets</b>               |       | <b>162,063</b> | <b>157,844</b> |
| <b>TOTAL ASSETS</b>                           |       | <b>167,777</b> | <b>162,679</b> |
| <b>LIABILITIES</b>                            |       |                |                |
| <b>Current liabilities</b>                    |       |                |                |
| Trade and other payables                      | 8a    | 4,851          | 3,697          |
| Borrowings                                    | 8b    | 539            | 641            |
| Provisions                                    | 8c    | 2,099          | 1,925          |
| <b>Total current liabilities</b>              |       | <b>7,489</b>   | <b>6,263</b>   |
| <b>Non-current liabilities</b>                |       |                |                |
| Borrowings                                    | 8b    | 8,064          | 7,509          |
| Provisions                                    | 8c    | 532            | 791            |
| <b>Total non-current liabilities</b>          |       | <b>8,596</b>   | <b>8,300</b>   |
| <b>TOTAL LIABILITIES</b>                      |       | <b>16,085</b>  | <b>14,563</b>  |
| <b>Net assets</b>                             |       | <b>151,692</b> | <b>148,116</b> |
| <b>EQUITY</b>                                 |       |                |                |
| Accumulated surplus                           |       | 20,403         | 21,881         |
| Asset revaluation reserves                    | 9a    | 130,263        | 125,059        |
| Other reserves                                | 9b    | 1,026          | 1,176          |
| <b>Total council equity</b>                   |       | <b>151,692</b> | <b>148,116</b> |
| <b>Total equity</b>                           |       | <b>151,692</b> | <b>148,116</b> |

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

## Statement of Changes in Equity

for the year ended 30 June 2023

| \$ '000   | Notes | Accumulated surplus | Asset revaluation reserve | Other reserves | Total equity    |
|---|-------|---------------------|---------------------------|----------------|-----------------|
| <b>2023</b>                                     |       |                     |                           |                |                 |
| Balance at the end of previous reporting period |       | 21,881              | 125,059                   | 1,176          | 148,116         |
| <b>Restated opening balance</b>                 |       | <b>21,881</b>       | <b>125,059</b>            | <b>1,176</b>   | <b>148,116</b>  |
| Net surplus / (deficit) for year                |       | (1,628)             | –                         | –              | (1,628)         |
| <b>Other comprehensive income</b>               |       |                     |                           |                |                 |
| Gain (loss) on revaluation of IPP&E             | 7a    | –                   | 5,204                     | –              | 5,204           |
| Revaluation of Intangible Asset                 |       | –                   | –                         | –              | –               |
| <b>Other comprehensive income</b>               |       | <b>–</b>            | <b>5,204</b>              | <b>–</b>       | <b>5,204</b>    |
| <b>Total comprehensive income</b>               |       | <b>(1,628)</b>      | <b>5,204</b>              | <b>–</b>       | <b>3,576</b>    |
| Transfers between reserves                      |       | 150                 | –                         | (150)          | –               |
| <b>Balance at the end of period</b>             |       | <b>20,403</b>       | <b>130,263</b>            | <b>1,026</b>   | <b>151,692</b>  |
| <b>2022</b>                                     |       |                     |                           |                |                 |
| Balance at the end of previous reporting period |       | 20,945              | 153,667                   | 1,288          | 175,900         |
| <b>Restated opening balance</b>                 |       | <b>20,945</b>       | <b>153,667</b>            | <b>1,288</b>   | <b>175,900</b>  |
| Net surplus / (deficit) for year                |       | 824                 | –                         | –              | 824             |
| <b>Other comprehensive income</b>               |       |                     |                           |                |                 |
| Gain (loss) on revaluation of IPP&E             | 7a    | –                   | (30,312)                  | –              | (30,312)        |
| Revaluation of Intangible Asset                 |       | –                   | 1,704                     | –              | 1,704           |
| <b>Other comprehensive income</b>               |       | <b>–</b>            | <b>(28,608)</b>           | <b>–</b>       | <b>(28,608)</b> |
| <b>Total comprehensive income</b>               |       | <b>824</b>          | <b>(28,608)</b>           | <b>–</b>       | <b>(27,784)</b> |
| Transfers between reserves                      |       | 112                 | –                         | (112)          | –               |
| <b>Balance at the end of period</b>             |       | <b>21,881</b>       | <b>125,059</b>            | <b>1,176</b>   | <b>148,116</b>  |

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

## Statement of Cash Flows

for the year ended 30 June 2023

| \$ '000   | Notes | 2023           | 2022           |
|---|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>                   |       |                |                |
| <u>Receipts</u>   |       |                |                |
| Rates receipts  |       | 17,480         | 16,430         |
| Statutory charges   |       | 464            | 489            |
| User charges  |       | 1,816          | 1,361          |
| Grants, subsidies and contributions                           |       | 9,645          | 6,490          |
| Investment receipts   |       | 58             | 6              |
| Reimbursements  |       | 333            | 256            |
| Other receipts  |       | 1,258          | 1,661          |
| <u>Payments</u>   |       |                |                |
| Payments to employees   |       | (9,020)        | (8,062)        |
| Payments for materials, contracts and other expenses          |       | (19,651)       | (12,457)       |
| Finance payments  |       | (266)          | (231)          |
| <b>Net cash provided by (or used in) operating activities</b> | 11b   | <u>2,117</u>   | <u>5,943</u>   |
| <b>Cash flows from investing activities</b>                   |       |                |                |
| <u>Receipts</u>   |       |                |                |
| Grants utilised for capital purposes                          |       | 1,006          | –              |
| Amounts received specifically for new or upgraded assets      |       | 1,490          | 1,005          |
| Sale of replaced assets                                       |       | 228            | 62             |
| Repayments of loans by community groups                       |       | 30             | –              |
| <u>Payments</u>   |       |                |                |
| Expenditure on renewal/replacement of assets                  |       | (2,669)        | (3,314)        |
| Expenditure on new/upgraded assets                            |       | (2,934)        | (1,764)        |
| Loans made to community groups                                |       | –              | (163)          |
| <b>Net cash provided (or used in) investing activities</b>    |       | <u>(2,849)</u> | <u>(4,174)</u> |
| <b>Cash flows from financing activities</b>                   |       |                |                |
| <u>Receipts</u>   |       |                |                |
| Proceeds from loans   |       | 1,094          | –              |
| Proceeds from bonds and deposits                              |       | –              | 34             |
| <u>Payments</u>   |       |                |                |
| Repayments of loans   |       | (641)          | (1,463)        |
| <b>Net cash provided by (or used in) financing activities</b> |       | <u>453</u>     | <u>(1,429)</u> |
| <b>Net increase (decrease) in cash held</b>                   |       | <u>(279)</u>   | <u>340</u>     |
| plus: cash & cash equivalents at beginning of period          |       | 1,659          | 1,320          |
| <b>Cash and cash equivalents held at end of period</b>        | 11a   | <u>1,380</u>   | <u>1,660</u>   |
| Additional information:                                       |       |                |                |
| <b>Total cash, cash equivalents and investments</b>           |       | <u>1,380</u>   | <u>1,660</u>   |

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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

| Note  | Details  | Page |
|-------|--|------|
| 1     | Summary of Significant Accounting Policies                               | 8    |
| 2     | Income   | 16   |
| 3     | Expenses   | 20   |
| 4     | Asset disposal and fair value adjustments                                | 21   |
| 5     | Current assets   | 22   |
| 6     | Non-current assets   | 22   |
| 7     | Infrastructure, property, plant & equipment and investment property      | 23   |
| 8     | Liabilities  | 26   |
| 9     | Reserves   | 27   |
| 10    | Assets subject to restrictions   | 28   |
| 11    | Reconciliation to Statement of Cash Flows                                | 29   |
| 12(a) | Functions  | 30   |
| 12(b) | Components of functions  | 31   |
| 13    | Financial instruments  | 33   |
| 14    | Capital expenditure and investment property commitments                  | 37   |
| 15    | Financial indicators   | 39   |
| 16    | Uniform presentation of finances   | 42   |
| 17    | Leases   | 42   |
| 18    | Superannuation   | 44   |
| 19    | Interests in other entities  | 44   |
| 20    | Non-current assets held for sale and discontinued operations             | 44   |
| 21    | Contingencies and assets/liabilities not recognised in the balance sheet | 45   |
| 22    | Events after the balance sheet date                                      | 45   |
| 23    | Related party transactions   | 46   |



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

### Note 1. Summary of Significant Accounting Policies

---

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

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

#### (1) Basis of preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 14 November 2023.

##### 1.2 Critical accounting estimates

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

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

##### 1.3 Rounding

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

##### 1.4 Estimates and assumptions

The River Murray flood event will have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2023/24 financial year but these have been largely taken into account during the development of the budget process for 2023/24. Whilst the budget assumptions for 2023/24 assume that no further harsh restrictions are put in place by the government, a deliberately conservative approach has been taken with income estimates. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

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

Mid Murray Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 49 Adelaide Road, Mannum SA. 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.

#### (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

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

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

is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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

#### Financial Assistance Grants

|         | Cash<br>Payment<br>Received | Annual<br>Allocation | Difference    |
|---------|-----------------------------|----------------------|---------------|
| 2020/21 | \$4,036,294                 | \$3,980,106          | + \$56,188    |
| 2021/22 | \$5,187,715                 | \$4,049,782          | + \$1,137,933 |
| 2022/23 | \$6,098,119                 | \$4,490,313          | + \$1,607,806 |

#### Supplementary Local Roads Grants

| 2020/21 | \$Nil     | \$327,466 | - \$327,466 |
|---------|-----------|-----------|-------------|
| 2021/22 | \$328,230 | \$328,230 | \$Nil       |
| 2022/23 | \$326,909 | \$326,909 | \$Nil       |

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

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

#### Construction contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

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

#### (4) Cash, cash equivalents and other financial instruments

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

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

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

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

#### (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.

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

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

#### 5.1 Real estate assets developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

#### 5.2 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.

Certain properties, auctioned for non-payment of rates in accordance with the *Local Government Act 1999* 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.

### (6) Infrastructure, property, plant and equipment

#### 6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

#### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

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

|                         |          |
|-------------------------|----------|
| Buildings & Structures  | \$15,000 |
| Infrastructure          | \$10,000 |
| Major Plant & Equipment | \$15,000 |
| Minor Plant             | \$5,000  |
| IT Equipment            | \$3,000  |
| Furniture & Fittings    | \$5,000  |
| Heritage Tourism Assets | \$10,000 |

#### 6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. 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.

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

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

#### 6.4 Depreciation of non-current assets

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

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

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

##### *Infrastructure*

|                          |                |
|--------------------------|----------------|
| Bridges & Major Culverts | 50 to 80 years |
| Landfill Cells           | 10 years       |
| Effluent Drainage        | 5 to 100 years |
| Footpaths                | 26 to 87 years |
| Kerbs                    | 67 to 70 years |
| Recreation Open Space    | 26 to 87 years |
| Roads                    | 18 to 75 years |
| Roads Earthworks         | 500 years      |
| Stormwater Drainage      | 50 to 90 years |
| Street Furniture         | 5 to 30 years  |
| Water Supply             | 5 to 100 years |

##### *Plant & Equipment*

|                         |               |
|-------------------------|---------------|
| Major Plant & Equipment | 5 to 25 years |
| Minor Plant             | 2 to 15 years |
| IT Equipment            | 2 to 15 years |

|                         |                 |
|-------------------------|-----------------|
| Buildings & Structures  | 15 to 100 years |
| Furniture & Fittings    | 2 to 20 years   |
| Heritage Tourism Assets | 50 years        |
| Marine Facilities       | 25 to 100 years |

#### 6.5 Impairment

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

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

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

#### 6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

#### (7) Payables

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

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

---

#### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### 7.2 Payments Received in Advance & Deposits

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

### (8) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

### (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.

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 various funds under the "choice of fund" legislation. The majority of employees are members of the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

### (10) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

### (11) Leases

#### Accounting policy applicable from 01 July 2019

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

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

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.

#### 11.1 Council as a lessee

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

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

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

|                     |               |
|---------------------|---------------|
| Plant and equipment | 2 to 15 years |
| Computers           | 2 to 5 years  |
| Other               | 4 to 10 years |

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

##### ii) Lease Liabilities

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

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

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets 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.

#### (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. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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



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

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

#### 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 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 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*. (This Standard makes amendments to *AASB 1 First-time Adoption of Australian Accounting Standards*, July 2015 and *AASB 112 Income Taxes*, August 2015. These amendments arise from the issuance of International Financial Reporting Standard *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to IAS 12) by the International Accounting Standards Board (IASB) in May 2021)
- *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 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*. (This Standard makes amendments to *AASB 16 Leases*, February 2016. These amendments arise from the issuance of

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

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

International Financial Reporting Standard Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) by the International Accounting Standards Board (IASB) in September 2022)

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (This Standard makes amendments to *AASB 13 Fair Value Measurement*, August 2015 for application by not-for profit public sector)

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

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

#### (14) Comparative figures

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

#### (15) COVID-19 Impact

Council continues to monitor the impact of Covid-19 pandemic on our community, organisation, services and service delivery. Demand for some services has steadily returned since the re-opening of services, however some have yet to return to pre Covid-19 levels of demand. This will impact on Council revenue projections in the short term. Council also has a number of additional costs due to Covid-19. These include cleaning, personal protective equipment and ICT related costs. The Council has worked to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. Any further restrictions may impact on Council's revenue and expenditure. Council has also put in place a number of arrangements to provide relief by postponing the due date of ratepayers who are suffering hardship and foregoing some interest on overdue payments.

#### (16) Disclaimer

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



## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 2. Income

| \$ '000  | 2023          | 2022          |
|--|---------------|---------------|
| <b>(a) Rates</b>                                       |               |               |
| <b>General rates</b>                                   |               |               |
| General rates  | 14,816        | 13,832        |
| Less: mandatory rebates                                | (93)          | (93)          |
| Less: discretionary rebates, remissions and write-offs | (59)          | (58)          |
| <b>Total general rates</b>                             | <b>14,664</b> | <b>13,681</b> |
| <b>Other rates (including service charges)</b>         |               |               |
| Landscape levy   | 571           | 566           |
| Waste collection                                       | 1,303         | 1,234         |
| Water supply   | 40            | 63            |
| Community wastewater management systems                | 643           | 682           |
| Separate and special rates                             | 208           | –             |
| TV Transmission  | 21            | 21            |
| Waste Recycling  | 208           | 206           |
| <b>Total other rates (including service charges)</b>   | <b>2,994</b>  | <b>2,772</b>  |
| <b>Other charges</b>                                   |               |               |
| Penalties for late payment                             | 122           | 119           |
| Legal and other costs recovered                        | 7             | 12            |
| <b>Total other charges</b>                             | <b>129</b>    | <b>131</b>    |
| <b>Total rates</b>                                     | <b>17,787</b> | <b>16,584</b> |
| <b>(b) Statutory charges</b>                           |               |               |
| Building Fees  | 95            | 113           |
| Town planning fees                                     | 142           | 149           |
| Health and septic tank inspection fees                 | 31            | 35            |
| Animal registration fees and fines                     | 117           | 123           |
| Other licences, fees and fines                         | 37            | 68            |
| <b>Total statutory charges</b>                         | <b>422</b>    | <b>488</b>    |
| <b>(c) User charges</b>                                |               |               |
| Cemetery Fees  | 76            | 80            |
| Admission charges - pools                              | 1             | 3             |
| Hall and equipment hire                                | 2             | 5             |
| Property lease   | 96            | 24            |
| Sundry   | 27            | 37            |
| Caravan Park Revenue                                   | 315           | 309           |
| Mannum Dock & Morgan Museum                            | 196           | 284           |
| Mannum Leisure Centre                                  | 91            | 71            |
| Waste Management Fees                                  | 898           | 410           |
| Other  | 3             | 14            |
| <b>Total user charges</b>                              | <b>1,705</b>  | <b>1,237</b>  |

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

### Note 2. Income (continued)

| \$ '000  | 2023          | 2022         |
|--|---------------|--------------|
| <b>(d) Investment income</b>                                     |               |              |
| Interest on investments  |               |              |
| - Local Government Finance Authority                             | 38            | 5            |
| - Banks and other  | 15            | —            |
| - Loans to community groups                                      | 5             | 1            |
| <b>Total investment income</b>                                   | <b>58</b>     | <b>6</b>     |
| <b>(e) Reimbursements</b>  |               |              |
| Private works  | 8             | 51           |
| Expense Payments   | 316           | 185          |
| <b>Total reimbursements</b>                                      | <b>324</b>    | <b>236</b>   |
| <b>(f) Other income</b>  |               |              |
| Insurance & Other Recoupments                                    | 275           | 96           |
| Rebates & Bonus Received   | 142           | 105          |
| Donations  | 31            | 37           |
| Other  | 66            | 115          |
| <b>Total other income</b>  | <b>514</b>    | <b>353</b>   |
| <b>(g) Grants, subsidies and contributions</b>                   |               |              |
| Amounts received specifically for new or upgraded assets         | 1,490         | 592          |
| <b>Total</b>   | <b>1,490</b>  | <b>592</b>   |
| <b>Other grants, subsidies and contributions - capital</b>       |               |              |
| Untied - Local roads and community                               | 1,006         | —            |
| <b>Total Other grants, subsidies and contributions - capital</b> | <b>1,006</b>  | <b>—</b>     |
| <b>Other grants, subsidies and contributions</b>                 |               |              |
| Other grants, subsidies and contributions                        | 2,862         | 431          |
| Untied - Financial Assistance Grant                              | 6,425         | 5,516        |
| Roads to Recovery  | —             | 773          |
| Library and communications                                       | 18            | 23           |
| <b>Total other grants, subsidies and contributions</b>           | <b>9,305</b>  | <b>6,743</b> |
| <b>Total grants, subsidies and contributions</b>                 | <b>11,801</b> | <b>7,335</b> |
| The functions to which these grants relate are shown in Note 12. |               |              |
| <b>(i) Sources of grants</b>                                     |               |              |
| Commonwealth Government  | 783           | 1,570        |
| State Government   | 10,190        | 5,714        |
| Other  | 828           | 51           |
| <b>Total</b>   | <b>11,801</b> | <b>7,335</b> |
| <b>(ii) Individually significant items</b>                       |               |              |

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

Note 2. Income (continued)

| \$ '000                                  | 2023  | 2022 |
|--|-------|------|
| Flood response grants                    | 3,425 | –    |
| Local roads and community infrastructure | 380   | 44   |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 2. Income (continued)

| <b>\$ '000</b>  | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| <b>(h) Conditions over grants and contributions</b>   |             |             |
| Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows: |             |             |
| <b>Unexpended at the close of the previous reporting period</b>   | <u>41</u>   | <u>43</u>   |
| <b>Less:</b>  |             |             |
| <i>Expended during the current period from revenues recognised in previous reporting periods</i>  |             |             |
| Other   | <u>(41)</u> | <u>(2)</u>  |
| <b>Subtotal</b>   | <u>(41)</u> | <u>(2)</u>  |
| <b>Plus:</b>  |             |             |
| <i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>   |             |             |
| <b>Unexpended at the close of this reporting period</b>   | <u>–</u>    | <u>41</u>   |
| <b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>  | <u>(41)</u> | <u>(2)</u>  |

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

### Note 3. Expenses

| \$ '000   | Notes | 2023          | 2022         |
|---|-------|---------------|--------------|
| <b>(a) Employee costs</b>   |       |               |              |
| Salaries and wages  |       | 8,138         | 7,436        |
| Employee leave expense  |       | 184           | 110          |
| Superannuation - defined contribution plan contributions                    | 18    | 721           | 617          |
| Superannuation - defined benefit plan contributions                         | 18    | 68            | 80           |
| Workers' compensation insurance   |       | 224           | 231          |
| Other employee related costs  |       | 122           | —            |
| Less: capitalised and distributed costs                                     |       | (169)         | (300)        |
| <b>Total operating employee costs</b>                                       |       | <b>9,288</b>  | <b>8,174</b> |
| Total number of employees (full time equivalent at end of reporting period) |       | 93            | 90           |
| <b>(b) Materials, contracts and other expenses</b>                          |       |               |              |
| <b>(i) Prescribed expenses</b>  |       |               |              |
| Auditor's remuneration  |       |               |              |
| - Auditing the financial reports  |       | 15            | 23           |
| Bad and doubtful debts  |       | 11            | —            |
| Elected members' expenses   |       | 368           | 286          |
| <b>Subtotal - prescribed expenses</b>                                       |       | <b>394</b>    | <b>309</b>   |
| <b>(ii) Other materials, contracts and expenses</b>                         |       |               |              |
| Contractors   |       | 13,040        | 4,526        |
| Parts, Accessories & Other Materials  |       | 1,471         | 1,311        |
| Purchase major Plant & Equipment  |       | 1,097         | 857          |
| Rubbish Collection Contractor   |       | 1,082         | 996          |
| Sundry  |       | 683           | 924          |
| Maintenance   |       | 934           | 788          |
| Computer Hardware, Software & Support                                       |       | 884           | 878          |
| Insurances  |       | 651           | 671          |
| Natural Resources Levy (NRM)  |       | 569           | 562          |
| Fuel & Oils   |       | 955           | 685          |
| Energy  |       | 324           | 389          |
| Other Government Levies   |       | 356           | 344          |
| Professional services   |       | 475           | 372          |
| Water & Sewer   |       | 197           | 1,746        |
| Donations & Contributions   |       | 264           | 311          |
| Telephone   |       | 159           | 160          |
| Waste Services  |       | 129           | 299          |
| Vehicle Registration & TPI  |       | 133           | 126          |
| Legal expenses  |       | 90            | 98           |
| Freight   |       | 12            | 8            |
| Other   |       | 68            | 6            |
| Less: capitalised and distributed Costs                                     |       | (5,624)       | (6,506)      |
| <b>Subtotal - Other material, contracts and expenses</b>                    |       | <b>17,949</b> | <b>9,551</b> |
| <b>Total materials, contracts and other expenses</b>                        |       | <b>18,343</b> | <b>9,860</b> |

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

### Note 3. Expenses (continued)

| \$ '000  | 2023         | 2022         |
|--|--------------|--------------|
| <b>(c) Depreciation, amortisation and impairment</b>   |              |              |
| <b>(i) Depreciation and amortisation</b>               |              |              |
| Buildings and other structures                         | 1,616        | 1,614        |
| Infrastructure   |              |              |
| - Roads  | 2,864        | 2,936        |
| - Bridges  | 116          | 96           |
| - Stormwater drainage                                  | 92           | 92           |
| - CWMS   | —            | 7            |
| - Road Earthworks                                      | 10           | 10           |
| - Footpaths  | 69           | 106          |
| - Kerbing  | 109          | 83           |
| - Water Licences & Supply                              | 14           | 11           |
| - Effluent Drainage                                    | 588          | 461          |
| - Capping and Reinstatement                            | (418)        | 97           |
| - Marine Facilities                                    | 149          | 150          |
| Plant and equipment                                    | 757          | 825          |
| Furniture and fittings                                 | 214          | 227          |
| Heritage Tourism Assets                                | 10           | 10           |
| <b>Subtotal</b>  | <b>6,190</b> | <b>6,725</b> |
| <b>Total depreciation, amortisation and impairment</b> | <b>6,190</b> | <b>6,725</b> |
| <br><b>(d) Finance costs</b>                           |              |              |
| Interest on loans                                      | 322          | 223          |
| Unwinding of present value discounts                   | (52)         | 11           |
| <b>Total finance costs</b>                             | <b>270</b>   | <b>234</b>   |

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

| \$ '000   | 2023         | 2022         |
|---|--------------|--------------|
| <b>Infrastructure, property, plant and equipment</b>        |              |              |
| <b>(i) Assets renewed or directly replaced</b>              |              |              |
| Proceeds from disposal                                      | 228          | 62           |
| Less: carrying amount of assets sold                        | (376)        | (484)        |
| <b>Gain (loss) on disposal</b>                              | <b>(148)</b> | <b>(422)</b> |
| <b>Net gain (loss) on disposal or revaluation of assets</b> | <b>(148)</b> | <b>(422)</b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 5. Current assets

| \$ '000   | 2023                | 2022                |
|---|---------------------|---------------------|
| <b>(a) Cash and cash equivalent assets</b>          |                     |                     |
| Cash on hand and at bank                            | 205                 | 341                 |
| Deposits at call                                    | 1,175               | 1,318               |
| <b><u>Total cash and cash equivalent assets</u></b> | <b><u>1,380</u></b> | <b><u>1,659</u></b> |

### (b) Trade and other receivables

|   |                     |                     |
|---|---------------------|---------------------|
| Rates - general and other                       | 2,634               | 2,340               |
| Council rates postponement scheme               | 71                  | 58                  |
| Accrued revenues                                | 82                  | 6                   |
| Debtors - general                               | 993                 | 250                 |
| GST recoupment                                  | 57                  | 34                  |
| Prepayments                                     | 67                  | 54                  |
| Loans to community organisations                | 22                  | 30                  |
| <b><u>Subtotal</u></b>                          | <b><u>3,926</u></b> | <b><u>2,772</u></b> |
| Less: provision for expected credit losses      | (65)                | (57)                |
| <b><u>Total trade and other receivables</u></b> | <b><u>3,861</u></b> | <b><u>2,715</u></b> |

### (c) Inventories

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Stores and materials            | 447               | 432               |
| Trading stock                   | 26                | 29                |
| <b><u>Total inventories</u></b> | <b><u>473</u></b> | <b><u>461</u></b> |

### Note 6. Non-current assets

| \$ '000                                | 2023              | 2022              |
|--|-------------------|-------------------|
| <b>(a) Trade and other receivables</b> |                   |                   |
| <b>Receivables</b>                     |                   |                   |
| Loans to community organisations       | 186               | 208               |
| <b><u>Subtotal</u></b>                 | <b><u>186</u></b> | <b><u>208</u></b> |
| <b><u>Total receivables</u></b>        | <b><u>186</u></b> | <b><u>208</u></b> |
| <b><u>Total financial assets</u></b>   | <b><u>186</u></b> | <b><u>208</u></b> |

### (b) Other non-current assets

|  |                     |                     |
|--|---------------------|---------------------|
| <b>Intangibles</b>                           |                     |                     |
| Water Licence                                | 3,323               | 3,323               |
| <b><u>Total other</u></b>                    | <b><u>3,323</u></b> | <b><u>3,323</u></b> |
| <b><u>Total other non-current assets</u></b> | <b><u>3,323</u></b> | <b><u>3,323</u></b> |

## 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

| \$ '000  | Fair Value Level | as at 30/06/22 |               |                          |                 | Asset movements during the reporting period |                          |                        |                                |               |                         |   |   | as at 30/06/23 |               |                          |                 |
|--|------------------|----------------|---------------|--------------------------|-----------------|---|--------------------------|------------------------|--------------------------------|---------------|-------------------------|---|---|----------------|---------------|--------------------------|-----------------|
|  |                  | At Fair Value  | At Cost       | Accumulated Depreciation | Carrying amount | Asset Additions New / Upgrade               | Asset Additions Renewals | WDV of Asset Disposals | Depreciation Expense (Note 3c) | WIP Transfers | Adjustments & Transfers | Revaluation Decrements to Equity (ARR) (Note 9) | Revaluation Increments to Equity (ARR) (Note 9) | At Fair Value  | At Cost       | Accumulated Depreciation | Carrying amount |
| Capital work in progress                                   | 3                | (1)            | 1,877         | —                        | 1,876           | —   | —                        | —                      | —                              | 569           | (16)                    | —   | —   | —              | 2,430         | —                        | 2,430           |
| Land   | 2                | 5,646          | —             | —                        | 5,646           | —   | —                        | —                      | —                              | —             | —                       | —   | —   | 5,646          | —             | —                        | 5,646           |
| Land   | 3                | 17,795         | 39            | —                        | 17,834          | —   | —                        | —                      | —                              | —             | —                       | —   | —   | 17,795         | 39            | —                        | 17,834          |
| Buildings and other structures                             | 2                | 5,653          | —             | (4,031)                  | 1,622           | —   | —                        | —                      | (147)                          | —             | —                       | —   | —   | 5,654          | —             | (4,177)                  | 1,477           |
| Buildings and other structures                             | 3                | 55,670         | 1,371         | (33,715)                 | 23,326          | 445   | 113                      | (5)                    | (1,469)                        | (203)         | —                       | —   | —   | 55,610         | 1,726         | (35,129)                 | 22,207          |
| Infrastructure   |                  |                |               |                          |                 |   |                          |                        |                                |               |                         |   |   |                |               |                          |                 |
| - Roads  | 3                | 98,140         | 3,634         | (42,979)                 | 58,795          | 2,336                                       | 784                      | (265)                  | (2,864)                        | 53            | —                       | —   | —   | 96,741         | 6,807         | (44,708)                 | 58,840          |
| - Bridges  | 3                | 4,496          | 1,317         | (2,562)                  | 3,251           | —   | —                        | —                      | (116)                          | —             | —                       | —   | 1,345   | 7,356          | —             | (2,876)                  | 4,480           |
| - Stormwater drainage                                      | 3                | 8,100          | —             | (2,807)                  | 5,293           | 115   | —                        | —                      | (92)                           | (115)         | —                       | —   | —   | 8,101          | —             | (2,899)                  | 5,202           |
| - Effluent Drainage  | 3                | 19,863         | 2,303         | (8,053)                  | 14,113          | —   | 24                       | —                      | (588)                          | —             | —                       | —   | 2,468   | 26,287         | 24            | (10,293)                 | 16,018          |
| - Capping and Reinstatement                                | 3                | 1,991          | —             | (1,528)                  | 463             | —   | 29                       | —                      | 418                            | (29)          | (5)                     | —   | —   | 1,991          | —             | (1,110)                  | 881             |
| - Road Earthworks  | 3                | 5,328          | 122           | (285)                    | 5,165           | —   | —                        | —                      | (10)                           | —             | —                       | —   | —   | 5,328          | 122           | (295)                    | 5,155           |
| - Footpaths  | 3                | 2,126          | 1,824         | (1,258)                  | 2,692           | 132   | —                        | —                      | (69)                           | —             | —                       | —   | (380)   | 3,081          | 132           | (837)                    | 2,376           |
| - Kerbing  | 3                | 5,368          | 429           | (3,290)                  | 2,507           | —   | 38                       | —                      | (109)                          | —             | —                       | —   | 1,771   | 8,717          | 38            | (4,548)                  | 4,207           |
| - Water Supply Infrastructure                              | 3                | 260            | 166           | (113)                    | 313             | —   | —                        | —                      | (14)                           | —             | —                       | —   | —   | 261            | 166           | (128)                    | 299             |
| - Marine Facilities  | 3                | 2,208          | 4,876         | (1,634)                  | 5,450           | 65  | —                        | —                      | (149)                          | (65)          | —                       | —   | —   | 2,208          | 4,875         | (1,784)                  | 5,299           |
| Plant and equipment  | 3                | —              | 11,803        | (6,760)                  | 5,043           | 13  | 1,073                    | (111)                  | (757)                          | —             | —                       | —   | —   | —              | 12,174        | (6,915)                  | 5,259           |
| Furniture and fittings                                     |                  | —              | 4,378         | (3,907)                  | 471             | 64  | 219                      | —                      | (214)                          | (36)          | —                       | —   | —   | —              | 4,624         | (4,121)                  | 503             |
| Heritage Tourism Assets                                    |                  | —              | 505           | (53)                     | 452             | —   | 174                      | —                      | (10)                           | (174)         | —                       | —   | —   | —              | 505           | (64)                     | 441             |
| <b>Total infrastructure, property, plant and equipment</b> |                  | <b>232,644</b> | <b>34,644</b> | <b>(112,975)</b>         | <b>154,313</b>  | <b>3,170</b>                                | <b>2,454</b>             | <b>(381)</b>           | <b>(6,190)</b>                 | <b>—</b>      | <b>(21)</b>             | <b>—</b>  | <b>5,204</b>                                    | <b>244,776</b> | <b>33,662</b> | <b>(119,884)</b>         | <b>158,554</b>  |
| Comparatives   |                  | 260,374        | 42,230        | (115,848)                | 186,756         | 1,864                                       | 3,408                    | (670)                  | (6,725)                        | —             | (8)                     | (30,312)  | —   | 232,644        | 34,644        | (112,975)                | 154,313         |



## 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

##### Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

*AASB 13 Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

##### Information on valuations

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

##### Transfers between fair value hierarchy levels

In the course of revaluing the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

##### Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

## 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)

---

#### Highest and best use

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

#### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

#### Land

- Basis of valuation: Fair Value / Market Value
- Date of valuation: 1 July 2019
- Valuer: Marsh Pty Ltd T/as AssetVal

#### Land Improvements

- Basis of valuation: Recognised at Cost

#### Water Licence Entitlement

- Basis of valuation: Fair Value / Market Value
- Date of Valuation 30 June 2023
- Valuer: Council using Market Rates

#### Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value
- Date of valuation: 1 July 2019
- Valuer: Marsh Pty Ltd T/as AssetVal

Mid Murray Council have identified assets which are required to be valued under a market approach, in accordance with AASB 13 - Fair Value Measurement. The assets were subsequently revalued by Marsh Pty Ltd as at 1 July 2019. The balance of the assets were valued at Depreciated Replacement Cost.

#### Infrastructure

##### *Roads & Road Earthworks*

- Basis of valuation: Replacement Cost. Additions at cost.
- Date of valuation: 1 July 2021
- Valuer: Council valuation using unit rates

##### *Bridges and Major Culverts*

- Basis of valuation: Written Down Replacement Cost. Additions at cost.
- Date of valuation: 1 July 2022.
- Valuer: Insight Asset Services

##### *Stormwater Drainage*

- Basis of valuation: Written Down Replacement Cost. Additions at cost
- Date of valuation: 1 July 2019
- Valuer: Gayler Professional Engineering Pty Ltd

##### *Effluent Drainage*

- Basis of valuation: Written Down Replacement Cost. Additions at cost.
- Date of valuation: 1 July 2022.
- Valuer: Gayler Professional Engineering Pty Ltd

##### *Footpaths and Kerbing*

- Basis of Valuation: Written Down Replacement Cost, Additions at Cost
- Date of Valuation: 1 July 2022
- Valuer: Insight Asset Services

#### Other

## 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)

Council plans to undertake a full revaluation that will include condition based assessments and review of unit rates of its assets on a five-yearly rolling program according to the following schedule in consultation with its external asset management consultants.

|                                    |              |
|------------------------------------|--------------|
| Effluent Drainage                  | 2023/24      |
| Stormwater Drainage                | 2024/25      |
| Land, Buildings & Assoc Structures | 2024/25      |
| Roads & Road Earthworks            | 2026/27      |
| Footpaths & Kerbing                | 2027/28      |
| Bridges & Major Culverts           | 2027/28      |
| Water Supply Infrastructure        | Under Review |
| Marine Facilities                  | Under Review |
| Heritage Tourism Assets            | Under Review |

### Note 8. Liabilities

| \$ '000 | 2023<br>Current | 2023<br>Non Current | 2022<br>Current | 2022<br>Non Current |
|---------|-----------------|---------------------|-----------------|---------------------|
|---------|-----------------|---------------------|-----------------|---------------------|

#### (a) Trade and other payables

|  |              |          |              |          |
|--|--------------|----------|--------------|----------|
| Goods and services                             | 1,888        | —        | 1,154        | —        |
| Payments Received in Advance                   |              |          |              |          |
| - Grants, subsidies, contributions - operating | 536          | —        | 588          | —        |
| - Grants and contributions - capital           | 1,722        | —        | 1,660        | —        |
| Accrued expenses - employee entitlements       | 235          | —        | 178          | —        |
| Accrued expenses - finance costs               | 118          | —        | 62           | —        |
| Accrued expenses - other                       | 306          | —        | 9            | —        |
| Deposits, retentions and bonds                 | 46           | —        | 46           | —        |
| <b>Total trade and other payables</b>          | <b>4,851</b> | <b>—</b> | <b>3,697</b> | <b>—</b> |

#### (b) Borrowings

|                         |            |              |            |              |
|-------------------------|------------|--------------|------------|--------------|
| Loans                   | 539        | 8,064        | 641        | 7,509        |
| <b>Total Borrowings</b> | <b>539</b> | <b>8,064</b> | <b>641</b> | <b>7,509</b> |

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

#### (c) Provisions

|   |              |            |              |            |
|---|--------------|------------|--------------|------------|
| Employee entitlements (including oncosts) | 2,099        | 154        | 1,913        | 129        |
| Future reinstatement / restoration, etc   | —            | 378        | 12           | 662        |
| <b>Total provisions</b>                   | <b>2,099</b> | <b>532</b> | <b>1,925</b> | <b>791</b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 9. Reserves

|  | as at 30/06/22     |                            |           |             | as at 30/06/23     |
|--|--------------------|----------------------------|-----------|-------------|--------------------|
| \$ '000                                | Opening<br>Balance | Increments<br>(Decrements) | Transfers | Impairments | Closing<br>Balance |
| <b>(a) Asset revaluation reserve</b>   |                    |                            |           |             |                    |
| Land                                   | 6,597              | –                          | –         | –           | 6,597              |
| Land - other                           | 11,566             | –                          | –         | –           | 11,566             |
| Buildings and other structures         | 21,011             | –                          | –         | –           | 21,011             |
| Water Licence                          | 1,704              | –                          | –         | –           | 1,704              |
| Infrastructure                         |                    |                            |           |             |                    |
| - Roads                                | 67,390             | –                          | –         | –           | 67,390             |
| - Bridges                              | 429                | 1,345                      | –         | –           | 1,774              |
| - Stormwater drainage                  | 3,576              | –                          | –         | –           | 3,576              |
| - Road Earthworks                      | 5,314              | –                          | –         | –           | 5,314              |
| - Effluent Drainage                    | 6,895              | 2,468                      | –         | –           | 9,363              |
| - Capping and Reinstatement            | 577                | –                          | –         | –           | 577                |
| - Footpaths                            | –                  | (380)                      | –         | –           | (380)              |
| - Kerbing                              | –                  | 1,771                      | –         | –           | 1,771              |
| <b>Total asset revaluation reserve</b> | <b>125,059</b>     | <b>5,204</b>               | <b>–</b>  | <b>–</b>    | <b>130,263</b>     |
| Comparatives                           | 153,667            | (28,608)                   | –         | –           | 125,059            |

|                             | as at 30/06/22     |                    |                      |                    | as at 30/06/23     |
|-----------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| \$ '000                     | Opening<br>Balance | Tfrs to<br>Reserve | Tfrs from<br>Reserve | Other<br>Movements | Closing<br>Balance |
| <b>(b) Other reserves</b>   |                    |                    |                      |                    |                    |
| Effluent Drainage Reserve   | 1,176              | –                  | (150)                | –                  | 1,026              |
| <b>Total other reserves</b> | <b>1,176</b>       | <b>–</b>           | <b>(150)</b>         | <b>–</b>           | <b>1,026</b>       |
| Comparatives                | 1,288              | –                  | (112)                | –                  | 1,176              |

### Purposes of reserves

#### Asset revaluation reserves

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 10. Assets subject to restrictions

| <b>\$ '000</b>  | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p> |                     |                     |
| <b>Cash and financial assets</b>  |                     |                     |
| Open Space Contributions - Federal  | 496                 | 529                 |
| Other - Non Government  | 196                 | 222                 |
| Federal   | 479                 | 366                 |
| <b>Total cash and financial assets</b>  | <b>1,171</b>        | <b>1,117</b>        |
| <b>Infrastructure, property, plant and equipment</b>  |                     |                     |
| PW Mayflower  | 250                 | 250                 |
| <b>Total infrastructure, property, plant and equipment</b>  | <b>250</b>          | <b>250</b>          |
| <b><u>Total assets subject to externally imposed restrictions</u></b>   | <b><u>1,421</u></b> | <b><u>1,367</u></b> |

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

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

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

#### (a) Reconciliation of cash

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

|   |    |              |              |
|---|----|--------------|--------------|
| Total cash and equivalent assets            | 5a | 1,380        | 1,659        |
| <b>Balances per Statement of Cash Flows</b> |    | <b>1,380</b> | <b>1,659</b> |

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

|   |  |              |              |
|---|--|--------------|--------------|
| <b>Net surplus/(deficit)</b>                                  |  | (1,628)      | 824          |
| <b>Non-cash items in income statements</b>                    |  |              |              |
| Depreciation, amortisation and impairment                     |  | 6,190        | 6,725        |
| Grants for capital acquisitions treated as investing activity |  | (2,496)      | (592)        |
| Net (gain)/loss on disposals                                  |  | 148          | 422          |
|   |  | <b>2,214</b> | <b>7,379</b> |
| <b>Add (less): changes in net current assets</b>              |  |              |              |
| Net (increase)/decrease in receivables                        |  | (1,162)      | 105          |
| Change in allowances for under-recovery of receivables        |  | (8)          | –            |
| Net (increase)/decrease in inventories                        |  | (12)         | (56)         |
| Net (increase)/decrease in other assets                       |  | 16           | (1,534)      |
| Net increase/(decrease) in trade and other payables           |  | 1,154        | (73)         |
| Net increase/(decrease) in unpaid employee benefits           |  | 211          | 78           |
| Net increase/(decrease) in other provisions                   |  | (296)        | 44           |
| <b>Net cash provided by (or used in) operations</b>           |  | <b>2,117</b> | <b>5,943</b> |

#### (c) Financing arrangements

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

|                                      |        |        |
|--------------------------------------|--------|--------|
| Corporate credit cards               | 50     | 50     |
| LGFA cash advance debenture facility | 23,568 | 23,568 |

The Cash advance facilities have the following expiry dates:

| Debenture | Limit        | Expiry Date |
|-----------|--------------|-------------|
| M83       | \$2,300,000  | 16/03/2025  |
| M84       | \$5,000,000  | 15/06/2026  |
| M85       | \$11,268,000 | 16/04/2028  |
| M86       | \$5,000,000  | 15/06/2035  |

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

### Note 12(a). Functions

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

| \$ '000                                 | 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           |
| <b>Functions/Activities</b>             |               |               |               |               |                             |            |                           |              |   |                |
| Other                                   | 3,424         | —             | 8,019         | —             | (4,595)                     | —          | 2,602                     | 1            | 468   | —              |
| CEO                                     | 14            | 50            | 789           | 675           | (775)                       | (625)      | 11                        | —            | 8,700                                       | 6,861          |
| People & Culture                        | —             | 14            | 920           | 780           | (920)                       | (766)      | —                         | —            | —   | —              |
| Corporate Services                      | 5,106         | 4,247         | 664           | 630           | 4,442                       | 3,617      | 5,088                     | 4,235        | 100   | 115            |
| Financial Services                      | 113           | 73            | 1,180         | 996           | (1,067)                     | (923)      | —                         | —            | —   | —              |
| Funding                                 | 15,580        | 14,383        | 688           | 703           | 14,892                      | 13,680     | —                         | —            | —   | —              |
| Information Management                  | —             | —             | 1,488         | 1,505         | (1,488)                     | (1,505)    | —                         | —            | 562   | 399            |
| Libraries                               | 18            | 23            | 158           | 210           | (140)                       | (187)      | 18                        | 23           | —   | —              |
| Community Care                          | 85            | 39            | 716           | 798           | (631)                       | (759)      | 59                        | —            | 517   | 527            |
| Community Transport                     | 2             | 2             | —             | —             | 2                           | 2          | —                         | —            | —   | —              |
| Cultural Services                       | —             | 64            | 4             | 254           | (4)                         | (190)      | —                         | —            | 1,259                                       | 517            |
| Tourism and Development                 | 314           | 294           | 1,398         | 737           | (1,084)                     | (443)      | 2                         | 30           | 1,538                                       | 824            |
| Council Properties                      | 517           | 617           | 2,246         | 2,232         | (1,729)                     | (1,615)    | 44                        | 215          | 23,241                                      | 21,704         |
| Regulatory Services                     | 150           | 152           | 314           | 323           | (164)                       | (171)      | 22                        | —            | —   | —              |
| Health Services                         | 64            | 53            | 195           | 168           | (131)                       | (115)      | —                         | —            | —   | —              |
| Environment Services                    | 1             | 61            | 3             | 72            | (2)                         | (11)       | —                         | —            | —   | —              |
| Development Services                    | 257           | 284           | 1,140         | 1,074         | (883)                       | (790)      | 17                        | —            | —   | —              |
| Waste Management                        | 2,652         | 1,866         | 1,990         | 2,759         | 662                         | (893)      | 829                       | —            | 2,037                                       | 2,150          |
| Marine Facilities                       | 21            | —             | 285           | 254           | (264)                       | (254)      | —                         | —            | 5,767                                       | 5,921          |
| Sport and Recreation                    | 353           | 237           | 874           | 936           | (521)                       | (699)      | 259                       | 160          | 6,168                                       | 6,170          |
| Open Space                              | 33            | 6             | 1,462         | 873           | (1,429)                     | (867)      | —                         | 3            | 16,321                                      | 17,551         |
| Footpaths and Cycle Tracks              | —             | 23            | 109           | 152           | (109)                       | (129)      | —                         | —            | 2,375                                       | 2,693          |
| Stormwater                              | —             | —             | 186           | 199           | (186)                       | (199)      | —                         | 22           | 5,582                                       | 5,481          |
| Cemeteries                              | 76            | 80            | 129           | 95            | (53)                        | (15)       | —                         | —            | 469   | 471            |
| Roads                                   | —             | 2             | 6,579         | 6,213         | (6,579)                     | (6,211)    | —                         | —            | 70,742                                      | 69,719         |
| Infrastructure Services                 | 1,365         | 2,084         | 674           | 850           | 691                         | 1,234      | 1,337                     | 2,054        | —   | —              |
| Works Overheads                         | 109           | 147           | 102           | 148           | 7                           | (1)        | —                         | —            | 7   | 7              |
| Plant and Machinery                     | 111           | 96            | 215           | 162           | (104)                       | (66)       | —                         | —            | 5,253                                       | 5,035          |
| Water Supply                            | 40            | 63            | 24            | 14            | 16                          | 49         | —                         | —            | 408   | 2,211          |
| Community Wastewater Management Schemes | 716           | 687           | 1,540         | 1,181         | (824)                       | (494)      | 23                        | —            | 16,263                                      | 14,323         |
| <b>Total Functions/Activities</b>       | <b>31,121</b> | <b>25,647</b> | <b>34,091</b> | <b>24,993</b> | <b>(2,970)</b>              | <b>654</b> | <b>10,311</b>             | <b>6,743</b> | <b>167,777</b>                              | <b>162,679</b> |

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

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

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

---

The activities relating to Council functions are as follows:

#### Other

Natural Disaster Recovery.

#### CEO

Chief Executive's office.

#### PEOPLE & CULTURE

Elected Members, Governance, Business Improvement and Human Resources.

#### CORPORATE SERVICES

Corporate Services and Risk Management.

#### FINANCIAL SERVICES

Financial Services, Audit Function, Revenue Collection, Procurement, Loans and Investments.

#### FUNDING

Rates General, Rates Other and Grants Commission.

#### INFORMATION MANAGEMENT

Customer Service, Information Technology and Records Management.

#### LIBRARIES

All Libraries including Mannum and Morgan.

#### COMMUNITY CARE

Community Services including Morgan Activity Centre and Hub, Blanchetown Community Centre, Aged/Disabled/Disadvantaged Homes, Family Connections, Suicide Prevention Network and Health Centres.

#### COMMUNITY TRANSPORT

Community Transport and Community Passenger Network.

#### CULTURAL SERVICES

Cultural Services including Port of Morgan Heritage Centre.

#### TOURISM AND DEVELOPMENT

Tourism, Economic Development and Mannum Dock.

#### COUNCIL PROPERTIES

Including Admin Buildings, Public Conveniences, Mannum Caravan Park, Television Services, Licenses and Leases.

#### REGULATORY SERVICES

Includes Dog and Cat Control, Parking, Camping Sites and Other General Inspection, Fire Prevention/Protection and Illegal Developments.

#### HEALTH SERVICES

Environmental Health Services and Health Prevention Services.

#### ENVIRONMENT SERVICES

Natural Resources Management and Environmental General Services.

#### DEVELOPMENT SERVICES

Includes Development General Services, Building Assessments and Planning Assessments.

#### WASTE MANAGEMENT

Waste Collections, Disposal Facility Cambrai, Transfer Stations, Recycling and Organics Waste Management and General Waste Management Services.

#### MARINE FACILITIES

Mannum and Morgan Wharf Precincts and Other Marine Facilities.



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

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

---

#### **SPORT AND RECREATION**

Mannum Leisure Centre, Mannum and Cambrai Swimming Pools.

#### **OPEN SPACE**

Includes Mary Ann, Morgan Riverfront, Pioneer Park, Graeme Claxton and other open spaces.

#### **FOOTPATHS AND CYCLE TRACKS**

Footpaths and Cycle Tracks.

#### **STORMWATER**

Stormwater services.

#### **CEMETERIES**

Cemeteries services.

#### **ROADS**

Sealed and Unsealed Roads, Road Reserves, Bridges, Kerbs and Gutters, Street Lighting and Traffic Control.

#### **INFRASTRUCTURE SERVICES**

Infrastructure, Asset Management & GIS Services and Emergency Responses.

#### **WORKS OVERHEADS**

Works Depot and Private Works services.

#### **PLANT AND MACHINERY**

Plant and Machinery Services for Capital and Operations.

#### **WATER SUPPLY**

Water Supply service for Bowhill.

#### **COMMUNITY WASTEWATER MANAGEMENT**

Provision of Community Wastewater Management Schemes for various private-owned shacks and townships.

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

### Note 13. Financial instruments

---

#### Recognised financial instruments

##### Bank, deposits at call, short term deposits

**Accounting Policy:**

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

**Terms & Conditions:**

Deposits at call are returning interest rates between 0.15% and 4.30% (2022: 0.0% and 1.05%). All Council deposits are held in at call accounts.

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - rates and associated charges

**Accounting Policy:**

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

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 5.8% (2022: 5.05%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - fees and other charges

**Accounting policy:**

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

**Terms and conditions:**

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

**Carrying amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - other levels of government

**Accounting policy:**

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

**Terms and conditions:**

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

**Carrying amount:**

Approximates fair value.

##### Receivables - retirement home contributions

**Accounting policy:**

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 13. Financial instruments (continued)

#### Terms and conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

#### Carrying amount:

Approximates fair value (after deduction of any allowance).

#### Liabilities - creditors and accruals

##### Accounting policy:

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

##### Terms and conditions:

Liabilities are normally settled on 30 day terms.

##### Carrying amount:

Approximates fair value.

#### Liabilities - 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 (describe basis); interest is charged at fixed or variable rates between 1.85% and 6.05% (2022: 1.3% and 5.75%).

##### Carrying Amount:

Approximates fair value.

#### Liabilities - leases

##### Accounting policy:

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

| \$ '000 | Due<br>< 1 year | Due > 1 year<br>and ≤ 5 years | Due<br>> 5 years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|---------|-----------------|-------------------------------|------------------|------------------------------------|--------------------|
|---------|-----------------|-------------------------------|------------------|------------------------------------|--------------------|

### Financial assets and liabilities

#### 2023

##### Financial assets

|                               |              |            |           |              |              |
|-------------------------------|--------------|------------|-----------|--------------|--------------|
| Cash and cash equivalents     | 1,377        | —          | —         | 1,377        | 1,380        |
| Receivables                   | 3,592        | 174        | 99        | 3,865        | 3,840        |
| <b>Total financial assets</b> | <b>4,969</b> | <b>174</b> | <b>99</b> | <b>5,242</b> | <b>5,220</b> |

##### Financial liabilities

|                                    |              |              |              |               |               |
|------------------------------------|--------------|--------------|--------------|---------------|---------------|
| Payables                           | 4,193        | —            | —            | 4,193         | 4,192         |
| Current borrowings                 | 630          | —            | —            | 630           | 539           |
| Non-current borrowings             | 145          | 7,046        | 2,606        | 9,797         | 8,064         |
| <b>Total financial liabilities</b> | <b>4,968</b> | <b>7,046</b> | <b>2,606</b> | <b>14,620</b> | <b>12,795</b> |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 13. Financial instruments (continued)

| \$ '000   | Due<br>< 1 year | Due > 1 year<br>and ≤ 5 years | Due<br>> 5 years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|---|-----------------|-------------------------------|------------------|------------------------------------|--------------------|
| <u>Total financial assets<br/>and liabilities</u> | <u>9,937</u>    | <u>7,220</u>                  | <u>2,705</u>     | <u>19,862</u>                      | <u>18,015</u>      |

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 13. Financial instruments (continued)

| \$ '000  | Due<br>< 1 year | Due > 1 year<br>and ≤ 5 years | Due<br>> 5 years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|--|-----------------|-------------------------------|------------------|------------------------------------|--------------------|
| <b>2022</b>  |                 |                               |                  |                                    |                    |
| <b>Financial assets</b>                                  |                 |                               |                  |                                    |                    |
| Cash and cash equivalents                                | 1,659           | —                             | —                | 1,659                              | 1,659              |
| Receivables  | 2,668           | 160                           | 125              | 2,953                              | 2,923              |
| <b>Total financial assets</b>                            | <b>4,327</b>    | <b>160</b>                    | <b>125</b>       | <b>4,612</b>                       | <b>4,582</b>       |
| <b>Financial liabilities</b>                             |                 |                               |                  |                                    |                    |
| Payables   | 1,271           | —                             | —                | 1,271                              | 1,271              |
| Current borrowings                                       | 761             | —                             | —                | 761                                | 641                |
| Non-current borrowings                                   | 93              | 2,100                         | 6,237            | 8,430                              | 7,509              |
| <b>Total financial liabilities</b>                       | <b>2,125</b>    | <b>2,100</b>                  | <b>6,237</b>     | <b>10,462</b>                      | <b>9,421</b>       |
| <b><u>Total financial assets<br/>and liabilities</u></b> | <b>6,452</b>    | <b>2,260</b>                  | <b>6,362</b>     | <b>15,074</b>                      | <b>14,003</b>      |

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

| \$ '000              | 2023                          |                   | 2022                          |                   |
|----------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                      | Weighted Avg<br>Interest Rate | Carrying<br>Value | Weighted Avg<br>Interest Rate | Carrying<br>Value |
| Other variable rates | 4.80%                         | 1,093             | 1.85%                         | 5,000             |
| Fixed interest rates | 2.84%                         | 7,510             | 3.78%                         | 3,150             |
|                      |                               | <b>8,603</b>      |                               | <b>8,150</b>      |

#### Net fair value

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 13. Financial instruments (continued)

#### Risk exposures

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

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

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

#### 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.

| \$ '000                | ECL Rate | Gross carrying amount | Expected Loss |
|------------------------|----------|-----------------------|---------------|
| <b>2023</b>            |          |                       |               |
| Current (not past due) | 0.4%     | —                     | —             |
| Past due 1-30 days     | 1.3%     | 628                   | 8             |
| Past due 31-60 days    | 1.5%     | 220                   | 3             |
| Past due 61-90 days    | 1.7%     | 29                    | —             |
| Past due 91 days +     | 1.8%     | 118                   | 2             |
|                        |          | <b>995</b>            | <b>13</b>     |
|                        |          | <b>—</b>              | <b>—</b>      |

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

| \$ '000              | 2023      | 2022     |
|----------------------|-----------|----------|
| As at 1 July         | 57        | —        |
| Provisions           | 8         | —        |
| <b>As at 30 June</b> | <b>65</b> | <b>—</b> |

### Note 14. Capital expenditure and investment property commitments

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

# Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

## Note 14. Capital expenditure and investment property commitments (continued)

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

### Capital commitments

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

|                     |              |              |
|---------------------|--------------|--------------|
| Infrastructure      | 1,197        | 1,564        |
| Plant and equipment | 381          | 862          |
|                     | <u>1,578</u> | <u>2,426</u> |

#### These expenditures are payable:

|                         |              |              |
|-------------------------|--------------|--------------|
| Not later than one year | 1,578        | 2,426        |
|                         | <u>1,578</u> | <u>2,426</u> |

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

### Note 15. Financial indicators

|  | Indicator<br>2023 | Indicators<br>2022 | Indicators<br>2021 |
|--|-------------------|--------------------|--------------------|
| Financial Indicators overview  |                   |                    |                    |
| <i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>  |                   |                    |                    |
| <b>1. Operating Surplus Ratio</b>  |                   |                    |                    |
| Operating surplus  |                   |                    |                    |
| Total operating income   | (9.5)%            | 2.6%               | (2.1)%             |
| <i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>  |                   |                    |                    |
| <b>2. Net Financial Liabilities Ratio</b>  |                   |                    |                    |
| Net financial liabilities  |                   |                    |                    |
| Total operating income   | 34%               | 37%                | 48%                |
| <i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>  |                   |                    |                    |
| <b>Adjusted Operating Surplus Ratio</b>  |                   |                    |                    |
| Operating surplus  |                   |                    |                    |
| Total operating income   | (11.2)%           | (1.7)%             | (2.3)%             |
| <b>Adjustments to Ratios</b>   |                   |                    |                    |
| <i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i> |                   |                    |                    |
| <b>Adjusted Net Financial Liabilities Ratio</b>  |                   |                    |                    |
| Net financial liabilities  |                   |                    |                    |
| Total operating income   | 51%               | 56%                | 48%                |
| <b>3. Asset Renewal Funding Ratio</b>  |                   |                    |                    |
| Asset renewals   |                   |                    |                    |
| Infrastructure and Asset Management Plan required expenditure  | 54%               | 76%                | 120%               |
| <i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>   |                   |                    |                    |

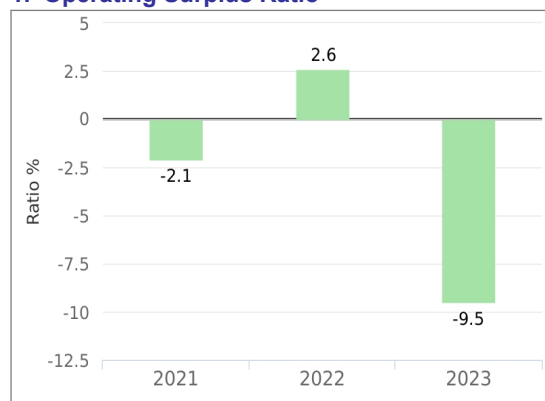


## Notes to and forming part of the Financial Statements for the year ended 30 June 2023

### Note 15. Financial indicators (continued)

#### Financial indicators - graphs

##### 1. Operating Surplus Ratio



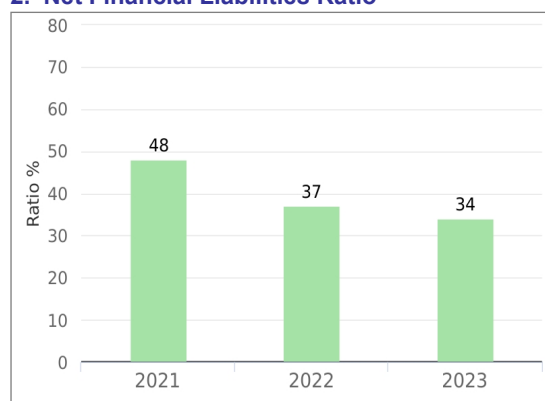
##### Purpose of operating surplus ratio

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

##### Commentary on 2022/23 result

2022/23 ratio (9.5)%

##### 2. Net Financial Liabilities Ratio



##### Purpose of net financial liabilities ratio

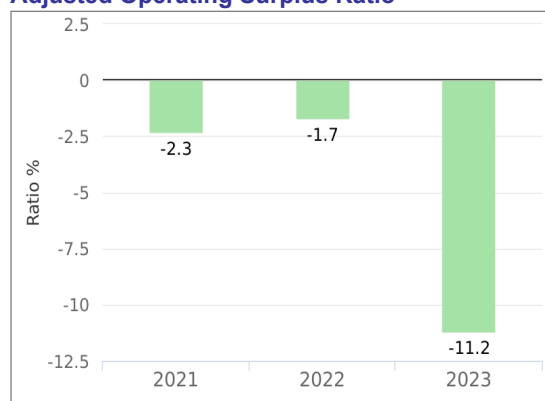
This indicator shows the significance of the net amount owed to others, compared to operating revenue

##### Commentary on 2022/23 result

2022/23 ratio 34%

Councils borrowings (\$8.603m at 30 June) are reduced by \$7.05m of income received in advance including Financial Assistance Grants of \$4.842m and various Capital Grants of \$1.67m and Operating Grants of \$0.54m. This does enable some savings in our Interest Payable Expense.

##### Adjusted Operating Surplus Ratio



##### Purpose of adjusted operating surplus ratio

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

##### Commentary on 2022/23 result

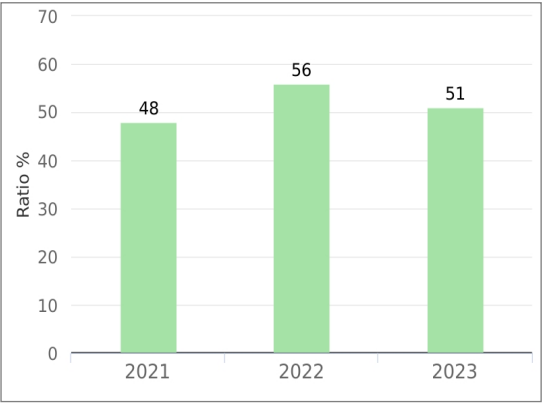
2022/23 ratio (11.2)%

Council received \$4.842m of Financial Assistance Grants in Advance in June 2023. Flood expenditure of \$7.6m was offset by Flood response income of \$3.422m

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

Note 15. Financial indicators (continued)

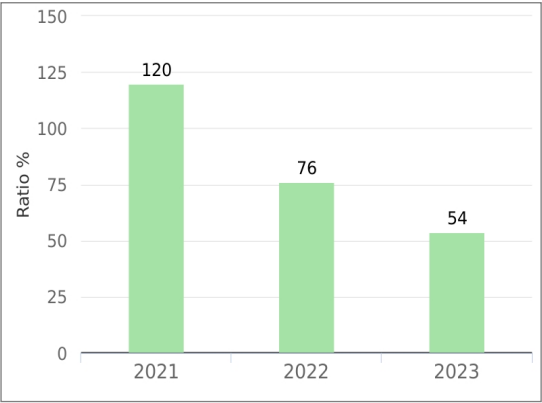
Adjusted Net Financial Liabilities Ratio



|   |
|---|
| Purpose of adjusted net financial liabilities ratio   |
| This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure |

|   |     |
|---|-----|
| Commentary on 2022/23 result  |     |
| 2022/23 ratio   | 51% |
| Councils net financial liabilities would have been in excess of \$15m at June 30 if not for the early receipt of Financial Assistance Grants and the carry forward of unexpended grant funding, but still less than 100% of income. |     |

3. Asset Renewal Funding Ratio



|   |
|---|
| Purpose of asset renewal funding ratio  |
| This indicator aims to determine if assets are being renewed and replaced in an optimal way |

|   |     |
|---|-----|
| Commentary on 2022/23 result  |     |
| 2022/23 ratio   | 54% |
| Asset renewal expenditure did not reach original budget targets due to the redirection of resources to flood contingency and recovery activities. |     |

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

### Note 16. Uniform presentation of finances

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

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   | 17,787        | 16,584        |
| Statutory charges                               | 422           | 488           |
| User charges                                    | 1,705         | 1,237         |
| Grants, subsidies and contributions - capital   | 1,006         | —             |
| Grants, subsidies and contributions - operating | 9,305         | 6,743         |
| Investment income                               | 58            | 6             |
| Reimbursements                                  | 324           | 236           |
| Other income                                    | 514           | 353           |
| <b>Total Income</b>                             | <b>31,121</b> | <b>25,647</b> |

#### Expenses

|   |               |               |
|---|---------------|---------------|
| Employee costs                            | 9,288         | 8,174         |
| Materials, contracts and other expenses   | 18,343        | 9,860         |
| Depreciation, amortisation and impairment | 6,190         | 6,725         |
| Finance costs                             | 270           | 234           |
| <b>Total Expenses</b>                     | <b>34,091</b> | <b>24,993</b> |

|                                      |                |            |
|--------------------------------------|----------------|------------|
| <b>Operating surplus / (deficit)</b> | <b>(2,970)</b> | <b>654</b> |
|--------------------------------------|----------------|------------|

|                                     |       |         |
|-------------------------------------|-------|---------|
| Timing adjustment for grant revenue | (470) | (1,082) |
|-------------------------------------|-------|---------|

|   |                |              |
|---|----------------|--------------|
| <b>Adjusted Operating surplus / (deficit)</b> | <b>(3,440)</b> | <b>(428)</b> |
|---|----------------|--------------|

#### **Net outlays on existing assets**

|   |              |              |
|---|--------------|--------------|
| Capital expenditure on renewal and replacement of existing assets | (2,669)      | (3,314)      |
| Add back depreciation, amortisation and impairment                | 6,190        | 6,725        |
| Add back proceeds from sale of replaced assets                    | 228          | 62           |
|   | <b>3,749</b> | <b>3,473</b> |

#### **Net outlays on new and upgraded assets**

|   |                |              |
|---|----------------|--------------|
| Capital expenditure on new and upgraded assets (including investment property and real estate developments) | (2,934)        | (1,764)      |
| Add back amounts received specifically for new and upgraded assets  | 1,490          | 1,005        |
|   | <b>(1,444)</b> | <b>(759)</b> |

|  |                |              |
|--|----------------|--------------|
| <b>Annual net impact to financing activities (surplus/(deficit))</b> | <b>(1,135)</b> | <b>2,286</b> |
|--|----------------|--------------|

### Note 17. Leases

#### Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as Property Lease and Caravan Park Revenue.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

### Note 17. Leases (continued)

#### Investment property

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

| <b>\$ '000</b>   | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b> |              |              |
| Not later than one year  | 451          | 336          |
| Later than one year and not later than 5 years   | 1,388        | 1,138        |
| Later than 5 years   | 5,556        | 634          |
|  | <b>7,395</b> | <b>2,108</b> |

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

### Note 18. Superannuation

---

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

#### **Accumulation only members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.50% in 2022/23; 10.00% in 2021/22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021/22) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to other superannuation schemes**

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

### Note 19. Interests in other entities

---

Council has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

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

---

#### **Details of assets and disposal groups**

Council does not have any Non-Current Assets held for sale or any Discontinued Operations.

## 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

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

At reporting date, Council controlled 3536 km of road reserves of average width 20 metres.

#### 2. Potential insurance losses

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

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

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

#### 3. Legal expenses

Council is the planning consent authority for its area under the Planning, Development and 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 no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined (if any).

### 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.

## 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, 21 persons were paid the following total compensation.

| \$ '000   | 2023         | 2022         |
|---|--------------|--------------|
| <b>The compensation paid to key management personnel comprises:</b> |              |              |
| Short-term employee benefits  | 1,042        | 976          |
| Post-employment benefits  | 79           | 66           |
| <b>Total</b>  | <b>1,121</b> | <b>1,042</b> |

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

##### Receipts from key management personnel comprise:

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

|  |          |          |
|--|----------|----------|
| Planning and building application Fees | 1        | 1        |
| Purchases on Normal Trading Terms      | –        | 4        |
| <b>Total</b>                           | <b>1</b> | <b>5</b> |

##### Key Management Personnel and/or close family members where committee members of the following Not for Profit organisations that during the year received Community Grants :

Purnong District Hall     \$1,000  
Purnong, Caurnamont & Districts Progress Assoc     \$3,000

Key Management Personnel and/or close family members are committee members of the following Not for Profit organisations that had interest free or subsidized interest rate Community Loans during the financial year :

- Swan Reach Golf Club made repayments of \$5,649. Loan balance 30 June 2023 \$33,188
- Mannum Golf Club made repayments of \$5,000. Loan balance 30 June 2023 \$Nil

**Bentleys SA Audit Partnership**

Level 5  
63 Pirie Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900  
F +61 8 8372 7999

admin@adel.bentleys.com.au  
bentleys.com.au

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MID MURRAY COUNCIL**

### **Opinion**

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

In our opinion, the financial report gives a true and fair view of the financial position of the Mid Murray Council as of 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID FRANCIS  
PARTNER

Dated at Adelaide this 15<sup>th</sup> day of November 2023

**Bentleys SA Audit Partnership**

Level 5  
63 Pirie Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900  
F +61 8 8372 7999

admin@adel.bentleys.com.au  
bentleys.com.au

## **INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF MID MURRAY COUNCIL**

### **Opinion**

We have audited the compliance of the Mid Murray Council (the Council) with the requirements of Section 125 of the Local Government Act 1999 in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2022 to 30 June 2023 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with Section 125 of the Local Government Act 1999 in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2022 to 30 June 2023.

### **Limitation on Use**

This report has been prepared for the members of the Council in accordance with Section 129 of the Local Government Act 1999 in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

### **Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

## **Our Responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ASAE 3150 Assurance Engagement on Controls, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2022 to 30 June 2023. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis on the assessed risks.

## **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID FRANCIS  
PARTNER

Dated at Adelaide this 15<sup>th</sup> of November 2023

## 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 Mid Murray Council for the year ended 30 June 2023, the Council's Auditor, Bentleys 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*.



**Ben Scales**  
Chief Executive Officer



**David Whitbread**  
Presiding Member, Audit Committee

**Date: 14 November 2023**

**Bentleys SA Audit Partnership**

Level 5  
63 Pirie Street  
Adelaide SA 5000

GPO Box 939  
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900

F +61 8 8372 7999

admin@adel.bentleys.com.au  
bentleys.com.au

**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of the Mid Murray Council for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants (including Independence Standards), Part 4A published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

**Bentleys SA Audit Partnership**

David Francis  
Partner

**Dated at Adelaide this 3<sup>rd</sup> day of November 2023**