Alexandrina Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Connecting Communities

Alexandrina Council

General Purpose Financial Statements

for the year ended 30 June 2024

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Alexandrina Council

General Purpose Financial Statements

for the year ended 30 June 2024

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 2024 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.

Alan Harvey
Acting Chief Executive Officer

Date: 29 November 2024

Keith Parkes
Mayor

Date: 29 November 2024

Alexandrina Council

Statement of Comprehensive Income

for the year ended 30 June 2024

$ '000	Notes	2024	2023
Income			
Rates	2a	51,706	47,774
Statutory charges	2b	1,536	1,437
User charges	2c	4,021	2,978
Grants, subsidies and contributions - operating	2g	1,790	5,273
Investment income	2d	86	97
Reimbursements	2e	218	548
Other income	2f	343	601
Net gain - equity accounted council businesses	17(a)i	37	36
Total income		59,737	58,744
Expenses			
Employee costs	3a	21,447	19,613
Materials, contracts and other expenses	3b	23,645	23,561
Depreciation, amortisation and impairment	3c	18,450	14,140
Finance costs	3d	1,912	918
Net loss - equity accounted council businesses	17(a)i	1,350	492
Total expenses		66,804	58,724
Operating surplus / (deficit)		(7,067)	20
Asset disposal and fair value adjustments	4	(4,699)	(204)
Amounts received specifically for new or upgraded assets	2g	4,408	6,502
Net surplus / (deficit) [1]		(7,358)	6,318
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	1,000	156,678
Other Equity Adjustment - Equity Accounted Council Businesses	17(a)i	–	6,121
Total amounts which will not be reclassified subsequently to operating result		1,000	162,799
Total other comprehensive income		1,000	162,799
Total comprehensive income		(6,358)	169,117

(1) Transfer to Statement of Changes in Equity

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

Alexandrina Council

Statement of Financial Position

as at 30 June 2024

$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	1,446	1,204
Trade and other receivables	5b	5,162	6,392
Inventories	5c	32	38
Total current assets		6,640	7,634
Non-current assets			
Trade and other receivables	6a	70	83
Equity accounted investments in council businesses	6b	9,759	11,072
Other non-current assets	6c	3,319	2,415
Infrastructure, property, plant and equipment	7	675,290	665,450
Total non-current assets		688,438	679,020
TOTAL ASSETS		695,078	686,654
LIABILITIES			
Current liabilities			
Trade and other payables	8a	5,527	9,924
Borrowings	8b	11,943	8,650
Provisions	8c	4,553	4,239
Total current liabilities		22,023	22,813
Non-current liabilities			
Borrowings	8b	29,655	13,785
Provisions	8c	809	1,107
Total non-current liabilities		30,464	14,892
TOTAL LIABILITIES		52,487	37,705
Net assets		642,591	648,949
EQUITY			
Accumulated surplus		180,591	187,949
Asset revaluation reserves	9a	461,029	460,029
Other reserves	9b	971	971
Total equity		642,591	648,949

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

Alexandrina Council

Statement of Changes in Equity

for the year ended 30 June 2024

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2024					
Balance at the end of previous reporting period		187,949	460,029	971	648,949
Net surplus / (deficit) for year		(7,358)	–	–	(7,358)
Other comprehensive income					
Gain (Loss) on Revaluation of I,PP&E	7	–	1,000	–	1,000
Other Equity Adjustment - Equity Accounted Council Businesses		–	–	–	–
Other comprehensive income		–	1,000	–	1,000
Total comprehensive income		(7,358)	1,000	–	(6,358)
Transfers between reserves		–	–	–	–
Balance at the end of period		180,591	461,029	971	642,591
2023					
Balance at the end of previous reporting period		175,679	303,351	802	479,832
Net surplus / (deficit) for year		6,318	–	–	6,318
Other comprehensive income					
Gain (Loss) on Revaluation of I,PP&E	7	–	156,678	–	156,678
Other Equity Adjustment - Equity Accounted Council Businesses		6,121	–	–	6,121
Other comprehensive income		6,121	156,678	–	162,799
Total comprehensive income		12,439	156,678	–	169,117
Transfers between reserves		(169)	–	169	–
Balance at the end of period		187,949	460,029	971	648,949

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

Alexandrina Council

Statement of Cash Flows

for the year ended 30 June 2024

$ '000	Notes	2024	2023
Cash flows from operating activities			
Receipts			
Grants, subsidies and contributions		1,826	5,042
Investment receipts		86	97
Rates receipts		51,568	47,757
Statutory charges		1,536	1,437
User charges		4,021	2,978
Reimbursements		218	548
Other receipts		6,911	4,398
Payments			
Payments to employees		(21,165)	(19,159)
Payments for materials, contracts and other expenses		(31,385)	(25,310)
Finance payments		(1,645)	(884)
Net cash provided by (or used in) operating activities	10b	11,971	16,904
Cash flows from investing activities			
Receipts			
Amounts received specifically for new or upgraded assets		2,159	7,756
Sale of replaced assets		523	1,234
Repayments of loans by community groups		10	34
Payments			
Expenditure on intangible assets		(1,167)	(1,263)
Expenditure on renewal/replacement of assets		(4,844)	(7,993)
Expenditure on new/upgraded assets		(27,531)	(20,495)
Net cash provided (or used in) investing activities		(30,850)	(20,727)
Cash flows from financing activities			
Receipts			
Proceeds from borrowings		19,163	11,230
Payments			
Repayments of borrowings		–	(10,000)
Repayment of bonds and deposits		(42)	(49)
Net cash provided by (or used in) financing activities		19,121	1,181
Net increase (decrease) in cash held		242	(2,642)
plus: cash & cash equivalents at beginning of period		1,204	3,846
Cash and cash equivalents held at end of period	10a	1,446	1,204

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

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Critical accounting estimates

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

Particular areas involving a high degree of judgement or complexity include the estimation of future payments and timing in relation to tip restoration liability. Further information in relation to the estimation of these liabilities are given in the relevant sections of these Notes.

1.3 Rounding

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

(2) The local government reporting entity

Alexandrina Council is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 11 Cadell Street, GOOLWA. 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.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Adelaide Hills Region Waste Management Authority
2. Fleurieu Regional Waste Authority
3. Fleurieu Regional Aquatic Centre Authority

Council has elected to not include activities related to the Southern and Hills Local Government Association in these consolidated financial statements as they are deemed to be immaterial.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

(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

continued on next page ...

Note 1. Summary of Material 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:

($,000)	Cash Payment Received	Annual Allocation	Difference
2020/21	$1,760	$1,620	+ $140
2021/22	$2,795	$1,215	+ $1,580
2022/23	$3,379	$2,371	+ $1,008
2023/24	$146	$2,733	- $2,587

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 12.

(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.

(6) Infrastructure, property, plant and equipment

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

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.

Infrastructure	$10,000
Land Improvements	$20,000
Buildings	$15,000
Furniture & Fittings	$5,000
Operational Equipment	$5,000
IT Equipment	$3,000
Other	$5,000
Plant	$15,000
Software	$50,000

6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

Plant, Furniture & Equipment

Office Equipment	5	to	10	years
Office Furniture and Fittings	10	to	35	years
Office Electrical Equipment	4	to	10	years
Computer Equipment	3	to	10	years
Minor Equipment	5	to	25	years
Plant	3	to	15	years
Software			10	years

Building & Other Structures

Sub structure			150	years
Super structure	50	to	100	years
Roofing	40	to	50	years

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

Fit out	15	to	25	years
Services	20	to	30	years
Infrastructure				
Bridges				
Sub structure	40	to	100	years
Super structure	40	to	100	years
Culverts	80	to	100	years
Guardrails	15	to	25	years
Surfaces	13	to	40	years
Sealed Road Pavement	40	to	90	years
Sealed Road Sub-Base			200	years
Unsealed Road Surfaces	12	to	35	years
Footpaths	20	to	70	years
Footpaths Sub-Base	60	to	280	years
Kerbing	50	to	70	years
Stormwater Drainage	10	to	100	years
Water	15	to	80	years
CWMS	15	to	80	years
Rec & Open Spaces	8	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.

(7) Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

Borrowings are 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".

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Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

(9) Employee benefits
9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences due 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 due 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.

Council has recognised a provision for sick leave liabilities for the employees falling under the AWU enterprise bargaining agreement, in case where the liability has vested.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

(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

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 at 30 June 2024, Council has no leases to which this treatment will need to be applied.

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.

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Note 1. Summary of Material Accounting Policies (continued)

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) Equity accounted Council businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 17.

The Adelaide Hills Region Waste Management Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, The District Council of Mt Barker and Rural City of Murray Bridge, this organisation operates as a regional waste management authority within the combined area.

The Southern and Hills Local Government Association has been created as regional subsidiary to represent the interest of all Councils in the Southern Hills, Fleurieu Peninsula and Kangaroo Island, within Local Government in SA. The group meet on a monthly basis and discuss Local Government policy and procedures, and provide advice back to the LGA from a regional perspective.

The Fleurieu Regional Waste Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council, Kangaroo Island Council, Yankalilla Council and the City of Victor Harbor. This organisation operates as a regional waste management authority within the combined area.

The Fleurieu Regional Aquatic Centre Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council, and the City of Victor Harbor. This organisation operates an aquatic centre.

During 2018-19 Council made the decision to no longer recognise the value of these entities separately in Equity. Council already recognises it's interest in the entities in Assets and so also recognising in Equity provided no extra information to Statement users.

(13) 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.

(14) New accounting standards and UIG interpretations

New accounting standards, amendments to existing standards and UIG Interpretations

Council applied for the first time certain new standards and amendments to existing standards, which are effective for annual periods beginning on or after 1 January 2023. Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

Council adopted AASB 2021-2, which makes some small amendments to a number of standards including the following: AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2.

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

Council adopted AASB 2022-6, which introduces specific disclosure requirements for loan liabilities. These requirements apply when the right to defer settlement for at least twelve months from the reporting date is subject to conditions in the arrangement.

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Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes various editorial corrections to a number of standards effective for reporting periods beginning on of after 1 January 2023.

Council has adopted all amendments mentioned above required for the year ended 30 June 2024. The adoption of these amendments did not have a material impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued new and amended Australian Accounting Standards and Interpretations that are not effective as of 30 June 2024. These standards have not yet been adopted by Council and will be incorporated into the financial statements upon their effective dates. The following list identifies all applicable new and amended Australian Accounting Standards and Interpretations that were issued but are not yet effective as of 30 June 2024.

Effective for annual report periods beginning on or after 1 January 2024

- AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-*10: Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.*

Effective for annual report periods beginning on or after 1 January 2025.

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

Council has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective and concluded that they will not have a material impact on the financial statements.

(15) Comparative figures

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

(16) Disclaimer

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

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 2. Income

$ '000	2024	2023
(a) Rates		
General rates		
General rates	44,323	41,001
Less: discretionary rebates, remissions and write-offs	(700)	(680)
Total general rates	43,623	40,321
Other rates (including service charges)		
Landscape levy	1,260	1,517
Water supply	6	6
Community wastewater management systems	6,534	5,754
Other	20	10
Total Other Rates	7,820	7,287
Other charges		
Penalties for late payment	283	182
Total other charges	283	182
Less: discretionary rebates, remissions and write-offs		
Less: discretionary rebates, remissions and write-offs	(20)	(16)
Total less: discretionary rebates, remissions and write-offs	(20)	(16)
Total rates	51,706	47,774
(b) Statutory charges		
Planning & Development Act Fees	687	662
Health and septic tank inspection fees	299	246
Animal registration fees and fines	378	382
Sundry	172	147
Total statutory charges	1,536	1,437
(c) User charges		
Cemetery Fees	187	220
Hall and equipment hire	118	116
Sundry	465	947
Community Wastewater Management Fees (CWMS)	1,815	807
Lease / Rental - Non-Investment Properties	1,403	864
Water Supply	33	24
Total user charges	4,021	2,978

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Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 2. Income (continued)

$ '000	2024	2023
(d) Investment income		
- Local Government Finance Authority	33	57
- Banks and other	49	35
Other	4	5
Total investment income	86	97
(e) Reimbursements		
Private works	–	6
Insurance	25	367
Other	193	175
Total reimbursements	218	548
(f) Other income		
Sundry	343	601
Total other income	343	601
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	4,408	6,502
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions	1,790	5,273
Other grants, subsidies and contributions - operating		
The functions to which operating grants relate are shown in Note 12.		
Total grants, subsidies and contributions	6,198	11,775
(i) Sources of grants		
Commonwealth Government	2,153	7,641
State Government	3,843	3,940
Other	202	194
Total	6,198	11,775
(ii) Individually significant items		
Financial Assistance Grant (FAG) received in advance as at 30 June	–	2,587
Supplementary Road Grant	–	305

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Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 2. Income (continued)

$ '000	2024	2023
(h) Conditions over grants and contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended, are as follows:		
Unexpended at the close of the previous reporting period	2,362	1,339
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Roads Infrastructure	–	–
Other	(2,362)	(1,339)
Subtotal	(2,362)	(1,339)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Other	149	2,362
Subtotal	149	2,362
Unexpended at the close of this reporting period	149	2,362
Net increase (decrease) in assets subject to conditions in the current reporting period	(2,213)	1,023

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 3. Expenses

$ '000	Notes	2024	2023
(a) Employee costs			
Salaries and wages		17,596	15,193
Employee leave expense		2,205	2,789
Superannuation - defined contribution plan contributions	16	1,754	1,477
Superannuation - defined benefit plan contributions	16	181	188
Workers' compensation insurance		639	731
Accident & Sickness Insurance		287	320
Less: capitalised and distributed costs		(1,215)	(1,085)
Total operating employee costs		21,447	19,613
Total number of employees (full time equivalent at end of reporting period)		185	178
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		12	19
Bad and doubtful debts		173	674
Elected members' expenses		287	341
Election expenses		9	174
Subtotal - prescribed expenses		481	1,208
(ii) Other materials, contracts and expenses			
Contractors		6,323	5,519
Waste Management		4,217	2,798
Professional services		1,430	1,723
Legal expenses		328	220
Roadside Vegetation		242	987
Communications (Phone, Fax, Mobiles, Internet & Postage)		440	439
Energy		1,837	1,846
Levies paid to Government - NRM levy		1,205	1,464
Levies - other		2	28
Sundry		4,425	4,895
Donations & Contributions		1,454	1,568
Insurance		860	561
Water		401	305
Subtotal - Other material, contracts and expenses		23,164	22,353
Total materials, contracts and other expenses		23,645	23,561

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 3. Expenses (continued)

$ '000	2024	2023
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	2,143	1,960
Infrastructure		
- Sealed roads	6,449	3,999
- Unsealed roads	2,140	1,547
- Stormwater	826	918
- CWMS	1,574	1,491
- Footpaths	684	568
- Kerbs	1,001	512
- Bridges & Major Culverts	561	441
- Water	11	10
- Rec & Open Space	1,217	1,035
Furniture and fittings	62	57
Plant	1,000	900
Equipment	508	555
Other assets	11	11
Subtotal	18,187	14,004
Intangible Assets - Accumulated Amortisation	263	136
Subtotal	263	136
Total depreciation, amortisation and impairment	18,450	14,140
(d) Finance costs		
Interest on loans	1,912	918
Total finance costs	1,912	918

Note 4. Asset disposal and fair value adjustments

$ '000	2024	2023
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	523	1,234
Less: carrying amount of assets sold	(5,222)	(1,438)
Gain (loss) on disposal	(4,699)	(204)
Net gain (loss) on disposal or revaluation of assets	(4,699)	(204)

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 5. Current assets

$ '000	2024	2023
(a) Cash and cash equivalent assets		
Cash on Hand & at Bank	414	316
Deposits at call	1,032	888
Total cash and cash equivalent assets	1,446	1,204
(b) Trade and other receivables		
Rates - general and other	1,705	2,219
Accrued revenues	4	6
Debtors - general	3,148	4,805
Prepayments	534	409
Loans to community organisations	13	10
Subtotal	5,404	7,449
Less: provision for expected credit losses	(242)	(1,057)
Total trade and other receivables	5,162	6,392
(c) Inventories		
Stores and materials	32	38
Total inventories	32	38

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 6. Non-current assets

$ '000		2024	2023
(a) Trade and other receivables			
Receivables			
Loans to community organisations		55	68
Other - Deferred Debtors		15	15
Total receivables		70	83
Total financial assets		70	83
(b) Equity accounted investments in council businesses			
Adelaide Hills Regional Waste Management Authority	17(a)i	380	343
Fleurieu Regional Waste Authority	17(a)i	(5,230)	(4,248)
Fleurieu Regional Aquatic Centre Authority	17(a)i	14,609	14,977
Total equity accounted investments in Council businesses		9,759	11,072
(c) Other non-current assets			
Intangible Assets - Software		3,794	2,627
Intangible Assets - Accumulated Amortisation		(475)	(212)
Total		3,319	2,415
Total other non-current assets		3,319	2,415

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

		as at 30/06/23					Asset movements during the reporting period									as at 30/06/24				
$ '000	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	WIP Transfer New / Upgrade	WIP Transfer Renewal	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Accumulated Impairment	Carrying amount
Capital work in progress		–	27,476	–	–	27,476	24,305	4,844	(12)	–	(231)	(33,589)	(6,489)	–	–	–	16,304	–	–	16,304
Land	3	132,259	–	–	–	132,259	2,585	–	–	–	–	–	–	–	–	134,844	–	–	–	134,844
Land improvements		–	7,528	–	–	7,528	–	–	–	–	–	–	–	–	–	–	7,528	–	–	7,528
Buildings and other structures	2	23,961	–	(16,346)	–	7,615	–	–	–	(419)	147	15	–	–	–	23,167	–	(15,809)	–	7,358
Buildings and other structures	3	91,588	–	(43,838)	–	47,750	–	–	(43)	(1,724)	(147)	11,225	846	–	–	104,301	–	(46,394)	–	57,907
Infrastructure																				
- Sealed roads	3	276,877	–	(82,883)	–	193,994	–	–	(9)	(6,449)	189	3,606	2,057	–	–	282,689	–	(89,301)	–	193,388
- Unsealed roads	3	41,325	–	(13,899)	–	27,426	–	–	(589)	(2,140)	(189)	–	931	–	–	41,028	–	(15,589)	–	25,439
- Stormwater drainage	3	75,091	–	(22,712)	–	52,379	–	–	(6)	(826)	–	947	220	(7,891)	–	66,085	–	(21,262)	–	44,823
- Community Wastewater Management Scheme (CWMS)	3	79,457	–	(32,795)	–	46,662	–	–	–	(1,574)	–	–	1,370	–	5,891	86,179	–	(33,830)	–	52,349
- Footpaths	3	24,874	–	(7,398)	–	17,476	–	–	–	(684)	–	–	–	–	–	24,873	–	(8,081)	–	16,792
- Kerbs	3	62,315	–	(19,851)	–	42,464	–	–	(25)	(1,001)	–	–	–	–	–	62,279	–	(20,841)	–	41,438
- Bridges & Major Culverts	3	48,578	–	(17,982)	–	30,596	–	–	–	(561)	69	–	–	–	592	63,284	–	(32,588)	–	30,696
- Water	3	1,534	–	(971)	–	563	–	–	–	(11)	–	–	–	–	–	1,534	–	(982)	–	552
- Rec & Open Space	3	36,132	–	(13,923)	–	22,209	–	–	(4,053)	(1,217)	–	17,452	32	–	2,408	48,955	–	(12,124)	–	36,831
Furniture and fittings		–	1,073	(763)	–	310	54	–	–	(62)	–	–	–	–	–	–	1,127	(825)	–	302
Plant		–	9,617	(2,533)	–	7,084	587	–	(485)	(1,000)	–	344	1,033	–	–	–	10,618	(3,055)	–	7,563
Equipment		–	6,587	(5,097)	–	1,490	–	–	–	(508)	36	–	–	–	–	–	6,623	(5,605)	–	1,018
Capping & Reinstatement		–	856	(856)	–	–	–	–	–	–	–	–	–	–	–	–	856	(856)	–	–
Other assets		–	672	(503)	–	169	–	–	–	(11)	–	–	–	–	–	–	672	(514)	–	158
Total infrastructure, property, plant and equipment		893,991	53,809	(282,350)	–	665,450	27,531	4,844	(5,222)	(18,187)	(126)	–	–	(7,891)	8,891	939,218	43,728	(307,656)	–	675,290
Comparatives		706,172	33,422	(243,868)	–	495,726	20,495	7,988	(1,842)	(14,004)	409	–	–	(3,258)	159,936	893,991	53,809	(282,350)	–	665,450

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

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

Valuation of Infrastructure, Property, Plant & Equipment

Valuation of assets

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

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

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

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

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

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

Information on valuations

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.

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.

Higher depreciation expense will begin to manifest in the financial statements from 2023/24 onwards.

Highest and best use

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

Land

- Basis of valuation: Fair Value. Additions at cost.
- The valuation was provided by the Office of the Valuer-General as at 30 June 2023.

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Land Improvements

- Basis of valuation: Recognised at Cost

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- The last external valuation was undertaken by Public Private Property as at 30 June 2019.
- The last condition assessment for Council's Fair Value Level 2 Buildings was undertaken by Sproutt as at 30 June 2019. The last condition assessment for Council's Fair Value Level 3 Buildings was undertaken by Council Staff as at 30 June 2019.
- Assets were indexed using the Local Government Price Index for June 2023 (5.6%).

Infrastructure

Roads

- Basis of valuation: Depreciated Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset). Additions are recorded at cost.
- The last external valuation was undertaken by Sproutt as at 30 June 2023.
- The last condition assessment was undertaken by Sproutt as at 30 June 2023.

Stormwater Drainage

- Basis of valuation: Depreciated Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset). Additions are recorded at cost.
- The last external valuation was undertaken by Public Private Property as at 30 June 2023.
- The last condition assessment was undertaken by Public Private Property as at 30 June 2023.

Community Wastewater Management Scheme (CWMS)

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Wallbridge Gilbert Aztec as at 30 June 2024.
- The last condition assessment was undertaken by Wallbridge Gilbert Aztec as at 30 June 2024.

Footpaths

- Basis of valuation: Depreciated Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset). Additions are recorded at cost.
- The last external valuation was undertaken by Sproutt as at 30 June 2023.
- The last condition assessment was undertaken by Sproutt as at 30 June 2023.

Kerbs

- Basis of valuation: Depreciated Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset). Additions are recorded at cost.
- The last external valuation was undertaken by Sproutt as at 30 June 2023.
- The last condition assessment was undertaken by Sproutt as at 30 June 2023.

Bridges and Major Culverts

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Public Private Property as at 30 June 2024.
- The last condition assessment was undertaken by Sproutt as at 30 June 2024.

Water

- Basis of valuation: Fair Value. Additions at cost.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

- Assets were indexed using the Local Government Price index for June 2023 (5.6%).

Recreation & Open Space

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Public Private Property as at 30 June 2024.
- The last condition assessment was undertaken by Sproutt as at 30 June 2024.

Plant

- Basis of valuation: Recognised at cost.
- Depreciation using straight line method utilising ATO useful lives.

Equipment

- Basis of valuation: Recognised at cost.

Furniture & Fittings

- Basis of valuation: Recognised at cost.

Capping & Reinstatement

- Basis of valuation: Recognised at cost.

Other Assets

- Basis of valuation: Recognised at cost.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 8. Liabilities

$ '000	2024 Current	2024 Non Current	2023 Current	2023 Non Current
(a) Trade and other payables				
Goods and services	4,510	–	6,301	–
Payments received in advance	42	–	693	–
- Grants, subsidies, contributions - operating	149	–	113	–
- Grants and contributions - capital	–	–	2,249	–
Accrued expenses - employee entitlements	232	–	199	–
Accrued expenses - finance costs	594	–	327	–
Deposits, retentions and bonds	–	–	42	–
Total trade and other payables	5,527	–	9,924	–
(b) Borrowings				
Loans	11,943	29,655	8,650	13,785
Total Borrowings	11,943	29,655	8,650	13,785
All interest bearing liabilities are secured over the future revenues of the Council				
(c) Provisions				
Employee Entitlements (including oncosts)				
Long Service Leave (including oncosts)	2,373	488	2,133	553
Annual, Sick & Other Leave (including oncosts)	2,153	–	2,079	–
Future Reinstatement / Restoration1	27	321	27	554
Total provisions	4,553	809	4,239	1,107

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 9. Reserves

$ '000	as at 30/06/23 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/24 Closing Balance
(a) Asset revaluation reserve					
Land - community	109,798	–	–	–	109,798
Buildings and other structures	25,390	–	–	–	25,390
Infrastructure					
- Sealed roads	159,819	–	–	–	159,819
- Stormwater	43,588	(7,891)	–	–	35,697
- CWMS	13,222	5,891	–	–	19,113
- Unsealed roads	21,902	–	–	–	21,902
- Footpaths	7,484	–	–	–	7,484
- Kerbs	36,928	–	–	–	36,928
- Bridges & Major Culverts	28,896	592	–	–	29,488
- Water	676	–	–	–	676
- Rec & Open Space	12,326	2,408	–	–	14,734
Total asset revaluation reserve	460,029	1,000	–	–	461,029
Comparatives	303,351	156,678	–	–	460,029

$ '000	as at 30/06/23 Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/24 Closing Balance
(b) Other reserves					
Open Space	884	–	–	–	884
Car Parking	87	–	–	–	87
Total other reserves	971	–	–	–	971
Comparatives	802	169	–	–	971

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).

Open Space
In compliance with Div 4 s50(10)(a) of the Development Act 1993, Council has created a reserve for Open Space Contributions.

Car Parking
In compliance with Div 4 s50A(1) of the Development Act 1993, Council has created a reserve for Car Parking Contributions.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 10. Reconciliation to Statement of Cash Flows

$ '000	Notes	2024	2023
(a) Reconciliation of cash			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	5	1,446	1,204
Balances per Statement of Cash Flows		1,446	1,204
(b) Reconciliation of Operating Result			
Net surplus/(deficit)		(7,358)	6,318
Non-cash items in income statements			
Depreciation, amortisation and impairment		18,450	14,140
Equity movements in equity accounted investments (increase)/decrease		1,313	456
Grants for capital acquisitions treated as investing activity		(4,408)	(6,502)
Net (gain)/loss on disposals		4,699	204
Non-cash expense		126	–
		12,822	14,616
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		2,048	(2,320)
Change in allowances for under-recovery of receivables		(815)	(625)
Net (increase)/decrease in inventories		6	8
Net (increase)/decrease in other assets		–	1,250
Net increase/(decrease) in trade and other payables		(2,106)	3,590
Net increase/(decrease) in other provisions		16	385
Net cash provided by (or used in) operations		11,971	16,904
(c) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank overdrafts		1,200	1,200
Corporate credit cards		40	40
LGFA cash advance debenture facility		8,402	22,565

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 11(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 11(b).

$ '000	OPERATING INCOME 2024	OPERATING INCOME 2023	OPERATING EXPENSES 2024	OPERATING EXPENSES 2023	OPERATING SURPLUS (DEFICIT) 2024	OPERATING SURPLUS (DEFICIT) 2023	GRANTS INCLUDED IN OPERATING INCOME 2024	GRANTS INCLUDED IN OPERATING INCOME 2023	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2024	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2023
Functions/Activities										
Office of the Chief Executive	45,613	1	5,387	778	40,226	(777)	102	–	–	–
Community	2,624	3,835	19,362	17,699	(16,738)	(13,864)	526	452	158	170
Corporate	1,648	45,528	1,486	7,196	162	38,332	3	2,232	302	24,631
Infrastructure	9,852	9,380	40,569	33,051	(30,717)	(23,671)	1,159	2,589	694,618	661,853
Total Functions/Activities	59,737	58,744	66,804	58,724	(7,067)	20	1,790	5,273	695,078	686,654

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.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 11(b). Components of functions

The activities relating to Council functions are as follows:

2024

During FY24 Council underwent a reporting restructure which greatly impacted the reports to Office of the Cheif Executive and Corporate in particular. Comparison between the structures is not meaningful.

OFFICE OF THE CHIEF EXECUTIVE

Elected Members, Chief Executive's Office, Risk Management, General Administration, Audit, Strategic Management, Communications and Natural Resources, Fleurieu Regional Aquatic Centre Authority Administration.
Payroll, Rate Revenue, Financial Management And Accounting, Rate Processing, Debtors, Creditors, Loans & Investments Management, Audit, Business Solutions, Information Technology

COMMUNITY

Fleurieu Regional Assessment Panel, Development Assessment, Planning Compliance, Environmental Health, Community Safety, Economic Development, Precincts, Tourism & Events, Visitor Information Services (VIS), Environmental Strategy & Climate Change Strategy, Planning Policy, Strategic Planning, Arts, Culture & Events, Community Development, Facility Management, Customer Experience, Libraries, Waste Management Liaison

CORPORATE

Records and Information Management, Management Of Council Owned Properties (Including Halls, Administration Centres, And Public Conveniences, Caravan Parks Etc), Procurement, Leases And Licences, Fleet And Plant Management, Property Sales And Acquisitions, Work Health & Safety, Human Resource Management, Organisational Development, Volunteer Management

INFRASTRUCTURE

Asset Management, Geographical Information Systems, Capital Program Development, Project Scoping, Traffic Management/Transportation, Strategic Infrastructure Planning, Capital Project Delivery, Project Design, Infrastructure Services, Building Management, Bridges & Stormwater Management, Community Facilities, Depot Operations, Field Services, Environmental Assets, Footpaths & Cycle Tracks, Recreation, Open Space & Reserves, Roads & Car Parks, Community Waste Management Scheme

2023

OFFICE OF THE CHIEF EXECUTIVE

Elected Members, Chief Executive's Office, Risk Management, General Administration, Audit, Strategic Management, Communications and Natural Resources, Fleurieu Regional Aquatic Centre Authority Administration.

COMMUNITY

Fleurieu Regional Assessment Panel, Development Assessment, Planning Compliance, Environmental Health, Community Safety, Economic Development, Precincts, Tourism & Events, Visitor Information Services (VIS), Environmental Strategy & Climate Change Strategy, Planning Policy, Strategic Planning, Arts, Culture & Events, Community Development, Facility Management, Customer Experience, Libraries, Waste Management Liaison

CORPORATE

Payroll, Rate Revenue, Financial Management And Accounting, Rate Processing, Debtors, Creditors, Loans & Investments Management, Records and Information Management, Audit, Information Technology, Management Of Council Owned Properties (Including Halls, Administration Centres, And Public Conveniences, Caravan Parks Etc), Procurement, Leases And Licences, Fleet And Plant Management, Property Sales And Acquisitions, Work Health & Safety, Human Resource Management, Organisational Development, Volunteer Management, Business Solutions

INFRASTRUCTURE

Asset Management, Geographical Information Systems, Capital Program Development, Project Scoping, Traffic Management/Transportation, Strategic Infrastructure Planning, Capital Project Delivery, Project Design, Infrastructure Services, Building Management, Bridges & Stormwater Management, Community Facilities, Depot Operations, Field Services, Environmental Assets, Footpaths & Cycle Tracks, Recreation, Open Space & Reserves, Roads & Car Parks, Community Waste Management Scheme

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 12. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

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

Terms & Conditions:
Deposits are returning fixed interest rates between 0.04% and 4.55% (2023 between 1.05% and 4.05%).

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges

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

Terms & Conditions:
Secured over the subject land, arrears attract interest of 0.7541% (2023: 0.483%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

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

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

Carrying amount:
Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

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

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

Carrying amount:
Approximates fair value.

Liabilities - creditors and accruals

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

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 12. Financial instruments (continued)

Terms and conditions:
Liabilities are normally settled on 30 day terms.

Carrying amount:
Approximates fair value.

Liabilities - interest bearing borrowings

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

Terms & Conditions:
Secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 5.15% and 6.15% (2023: 2.8% and 6.05%).

Carrying Amount:
Approximates fair value.

$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2024					
Financial assets					
Cash and cash equivalents	1,446	–	–	1,446	1,446
Receivables	4,643	55	–	4,698	4,698
Total financial assets	6,089	55	–	6,144	6,144
Financial liabilities					
Payables	5,336	–	–	5,336	5,336
Current borrowings	11,943	–	–	11,943	11,943
Non-current borrowings	–	4,640	25,015	29,655	29,655
Total financial liabilities	17,279	4,640	25,015	46,934	46,934
Total financial assets and liabilities	23,368	4,695	25,015	53,078	53,078
2023					
Financial assets					
Cash and cash equivalents	1,204	–	–	1,204	1,204
Receivables	5,999	56	11	6,066	6,066
Total financial assets	7,203	56	11	7,270	7,270
Financial liabilities					
Payables	6,670	–	–	6,670	6,869
Current borrowings	8,650	–	–	8,650	8,650
Non-current borrowings	–	2,900	10,885	13,785	13,785
Total financial liabilities	15,320	2,900	10,885	29,105	29,304
Total financial assets and liabilities	22,523	2,956	10,896	36,375	36,574

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 12. Financial instruments (continued)

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

	2024		2023	
$ '000	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	6.15%	29,598	5.76%	22,435
Fixed interest rates	5.42%	12,000	0.00%	–
		41,598		22,435

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.

Risk exposures

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

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

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

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

At 30 June 2024 Council had access to Cash Advance Debentures (CADs), with the following limits and End Dates:

Loan Number	Limit	End Date
CAD 70	$12,000,000	28/05/2025
CAD 77	$7,000,000	15/03/2028
CAD 78	$15,000,000	15/08/2032
CAD 79	$11,000,000	15/02/2033
CAD 80	$5,000,000	15/05/2034

CADs are at call loans approved by Council that operate in a similar fashion to an overdraft facility.

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.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 13. Capital expenditure and investment property commitments

$ '000	2024	2023

(a) Capital commitments

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

Plant and equipment	2,516	2,557
Infrastructure	10,479	20,134
	12,995	22,691
These expenditures are payable:		
Not later than one year	12,995	22,691
	12,995	22,691

(b) Other expenditure commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	–	38
Waste Management	–	–
Other Expenditure	3,106	2,967
	3,106	3,005
These expenditures are payable:		
Not later than one year	2,665	2,456
Later than one year and not later than 5 years	441	549
	3,106	3,005

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 14. Financial indicators

$ '000	Amounts 2024	Indicator 2024	Indicators 2023	Indicators 2022
Financial Indicators overview *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.*				
1. Operating Surplus Ratio				
Operating surplus / Total operating income	**(7,067) / 59,737**	**(11.8)%**	0.0%	6.5%
This ratio expresses the operating surplus as a percentage of total operating revenue.				
2. Net Financial Liabilities Ratio				
Net financial liabilities / Total operating income	**45,809 / 59,737**	**77%**	51%	41%
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.				
Adjustments to Ratios *In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, 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.*				
Adjusted Operating Surplus Ratio				
Operating surplus / Total operating income	**(4,480) / 62,324**	**(7.2)%**	(1.7)%	5.5%
Adjusted Net Financial Liabilities Ratio				
Net financial liabilities / Total operating income	**45,809 / 62,324**	**74%**	56%	44%
3. Asset Renewal Funding Ratio				
Asset renewals / Infrastructure and Asset Management Plan required expenditure	**4,321 / 5,829**	**74%**	116%	95%
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.				

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 15. Uniform presentation of finances

$ '000	2024	2023
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	51,706	47,774
Statutory charges	1,536	1,437
User charges	4,021	2,978
Grants, subsidies and contributions - operating	1,790	5,273
Investment income	86	97
Reimbursements	218	548
Other income	343	601
Net gain - equity accounted council businesses	37	36
Total Income	59,737	58,744
Expenses		
Employee costs	21,447	19,613
Materials, contracts and other expenses	23,645	23,561
Depreciation, amortisation and impairment	18,450	14,140
Finance costs	1,912	918
Net loss - equity accounted council businesses	1,350	492
Total Expenses	66,804	58,724
Operating surplus / (deficit)	(7,067)	20
Adjusted Operating surplus / (deficit)	(7,067)	20
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(4,844)	(7,993)
Add back depreciation, amortisation and impairment	18,450	14,140
Add back proceeds from sale of replaced assets	523	1,234
	14,129	7,381
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(27,531)	(20,495)
Add back amounts received specifically for new and upgraded assets	2,159	7,756
	(25,372)	(12,739)
Annual net impact to financing activities (surplus/(deficit))	(18,310)	(5,338)

Note 16. 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.

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 16. Superannuation (continued)

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 (11.0% in 2023/24; 10.50% in 2022/23). 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 2022/23) 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 2023. 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.

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 17. Interests in other entities

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

	Council's Share of Net Income		Council's Share of Net Assets	
$ '000	2024	2023	2024	2023
Council's share of net income				
Joint ventures	(1,313)	(456)	9,759	11,072
Total Council's share of net income	(1,313)	(456)	9,759	11,072

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

(a) Carrying amounts

$ '000	Principal Activity	2024	2023
Adelaide Hills Regional Waste Management Authority	Waste Management	380	343
Fleurieu Regional Aquatic Centre Authority	Aquatic Centre	14,609	14,977
Fleurieu Regional Waste Authority	Waste Management	(5,230)	(4,248)
Total carrying amounts - joint ventures and associates		9,759	11,072

Adelaide Hills Regional Waste Management Authority
The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, The District of Mount Barker and Rural City of Murray Bridge. This organisation operates as a regional waste management authority within the combined area.

Fleurieu Regional Aquatic Centre Authority
The Fleurieu Regional Aquatic Centre Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council, and the City of Victor Harbor. This organisation operates an aquatic centre. The Authority was wound up on 1 August 2024 following approval being granted from the Minister for Local Government and Member Councils decision to restructure the operations of the Authority to operate the facility under a joint venture arrangement. The final distribution of all assets and liabilities will be prepared and audited as part of the 2024/25 financial year.

Fleurieu Regional Waste Authority
The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Victor Harbor, Alexandrina Council, Kangaroo Island Council and Yankalilla District Council. This organisation operates as a regional waste management authority within the combined area.

A provision for remediation costs has been recognised at 30 June 2021, with further provisions made in 2022/23 and 2023/24 which represents the Board’s best estimate of the costs that may be incurred in relation to the coordination and removal of contaminating material from identified properties.

Remediation works commenced in July 2021, continued during 2023/24 and are expected to be completed during 2024/25..

Southern and Hills Local Government Associations
The Southern and Hills Local Government Association is a regional subsidiary to represent the interests of all Councils in the Southern Hills, Fleurieu Peninsula and Kangaroo Island, within the Local Government in SA. The group meet on a monthly basis and discuss Local Government policy and procedures, and provide advice back to the LGA from a regional perspective.

Alexandrina councils interest in the Southern and Hills Local Government Association for 2023/24 is deemed to be immaterial in amount and has not been recognised, This will be reviewed annually.

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 17. Interests in other entities (continued)

(b) Relevant interests

	Ownership Share of Equity		Proportion of Voting Power	
	2024	2023	2024	2023
Adelaide Hills Regional Waste Management Authority	9.00%	9.10%	25.00%	25.00%
Fleurieu Regional Aquatic Centre Authority	50.00%	50.00%	50.00%	50.00%
Fleurieu Regional Waste Authority	48.00%	48.00%	25.00%	25.00%
Southern and Hills Local Government Association	14.00%	14.00%	14.00%	14.00%

(c) Movement in investment in joint venture or associate

	Adelaide Hills Regional Waste Management Authority		Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority		Southern and Hills Local Government Associations	
$ '000	2024	2023	2024	2023	2024	2023	2024	2023
Opening Balance	344	308	14,977	9,124	(4,248)	(4,024)	–	–
Share in Operating Result	36	36	(368)	(268)	(982)	(224)	–	–
Other Equity Adjustment	–	–	–	6,121	–	–	–	–
Council's equity share in the joint venture or associate	380	344	14,609	14,977	(5,230)	(4,248)	–	–

(d) Transactions with Council

$ '000	2024	2023
Aggregate amount of transactions with Council		
- payments to Council	147	719
- receipts from Council	4,783	3,672
Aggregate amount owed to/owed by with Council		
- payments to Council	99	505
- receipts from Council	–	1

(e) Basham Beach Trust

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. Council performs a custodial role in respect of Basham Beach Trust monies, and because the monies cannot be used for Council purposes, they are not brought to account in the financial report, but are disclosed for information purposes.

Opening Balance	460	448
Add Port Elliot Caravan Park Lease (55%)	100	–
Capital Grant	–	–
Interest	25	13
Less Reimbursed Expenditure	–	–
Add Outstanding Withdrawal	–	–
Closing LGFA Balance	585	461

Note 18. Contingencies and assets/liabilities not recognised in the balance sheet

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 18. 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.

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 deductable "insurance excesses", the amount of which varies according to the class of insurance.

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

3. Bank guarantees

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to $120,000 (2023: $120,000) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. Community waste infrastructure agreement

In accordance with the agreement there is an obligation to reimburse 50% of any excess augmentation fees received by Council to a third party for one of Council's schemes.

Council is of the opinion that it is not possible to attribute a value sufficiently reliably, due to the unknown timing of the augmentation fees and if excess augmentation connection fees are calculated as zero or a negative number in respect of a financial year; no amount is payable.

Council will therefore recognise any amount owed in the relevant year as it is incurred.

Note 19. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2024, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Note 20. 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, 16 persons were paid the following total compensation.

$ '000	2024	2023
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,503	1,589
Post-employment benefits	128	121
Total	1,631	1,710

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

A Key Management Personnel is on the board of a community group from which miscellanous items were procured as required on 14 day account. Total purchases amounting to $594 were made during 2023/24 ($NIL were made during 2022/23). NIL balance is outstanding at the end of the year. All purchases were conducted at an arm's length basis. Total grant funding amounting to $95,090 was made during 2023/24 ($915 was made during 2022/23). All grants were assessed and granted following Council's guidelines.

A Key Management Personnel is a committee member of a community group from which miscellanous items were procured as required on 14 day account. Total purchases amounting to $475 were made during 2023/24 ($525 were made during 2022/23). NIL balance is outstanding at the end of the year. All purchases were conducted at an arm's length basis. Total grant funding amounting to $2,000 was made during 2023/24 ($NIL was made during 2022/23). All grants were assessed and granted following Council's guidelines. The Key Management Personnel is a committee member of a second community group for which a grant was given. Total grants amounting to $5,775 was made during 2023/24 ($11,550 was made during 2022/23). All grants are assessed and granted following Council's guidelines.

A Key Management Personnel is a committee member of a community group from which miscellanous items were procured as required on 14 day account. Total purchases amounting to $350 were made during 2023/24 ($120 were made during 2022/23). NIL balance is outstanding at the end of the year. All purchases were conducted at an arm's length basis. Total grant funding amounting to $2,200 was made during 2023/24 ($NIL was made during 2022/23). All grants were assessed and granted following Council's guidelines.

A Key Management Personnel is the Treasurer of a community group for which a grant was given. Total grant amounting to $1,095 was made during 2023/24 ($NIL were made during 2022/23). All grants are assessed and granted following Council's guidelines.

A Key Management Personnel family member owns a business from which recruitment services were procured as required on 30 day account. Total purchases amounting to $13,585 were made during 2023/24 ($5,500 were made during 2022/23). $880 balance is outstanding at the end of the year. The outstanding balance of 3,850 at the end of financial year 2023 was paid during the 2024 year. All purchases were conducted at an arm's length basis.

Galpins
Accountants, Auditors
& Business Consultants

CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

To the members of Alexandrina Council

Independent Assurance Report on the Internal Controls of Alexandrina Council

Opinion

We have audited the compliance of Alexandrina Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2023 to 30 June 2024 have been conducted properly and in accordance with the law.

In our opinion, Alexandrina Council has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2023 to 30 June 2024.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance 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 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of controls

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

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

Limitation of use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

3 December 2024

Galpins
Accountants, Auditors
& Business Consultants

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AUSTRALIA + NEW ZEALAND

INDEPENDENT AUDITOR'S REPORT

To the members of Alexandrina Council

Opinion

We have audited the accompanying financial report of Alexandrina Council (the Council), which comprises the statements of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Alexandrina Council.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's responsibility for the financial report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

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Auditor's responsibility for the audit of the financial report

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

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

3 December 2024

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& Business Consultants

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ALEXANDRINA COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended 30 June 2024

Statement by Auditor

I confirm that, for the audit of the financial statements of Alexandrina Council for the year ended 30 June 2024, 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) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

3 December 2024

Mount Gambier
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
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Alexandrina Council

General Purpose Financial Statements

for the year ended 30 June 2024

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Alexandrina Council for the year ended 30 June 2024, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

Alan Harvey
Acting Chief Executive Officer

Alice McCleary
Presiding Member, Audit and Risk Committee

Date: 29 November 2024