Alexandrina Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023



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Alexandrina Council

General Purpose Financial Statements

for the year ended 30 June 2023

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General Purpose Financial Statements

for the year ended 30 June 2023

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Nigel Morris
Chief Executive Officer

Date: 08 March 2024

Keth Parkes
Mayor

Date: 08 March 2024

Alexandrina Council

Statement of Comprehensive Income

for the year ended 30 June 2023

$ '000	Notes	2023	2022
Income			
Rates	2a	47,774	44,733
Statutory charges	2b	1,437	1,683
User charges	2c	2,978	3,382
Grants, subsidies and contributions - operating	2g	5,273	4,409
Investment income	2d	97	46
Reimbursements	2e	548	215
Other income	2f	601	718
Net gain - equity accounted council businesses	18(a)i	36	316
Total income		58,744	55,502
Expenses			
Employee costs	3a	19,613	18,143
Materials, contracts and other expenses	3b	23,561	19,476
Depreciation, amortisation and impairment	3c	14,140	13,185
Finance costs	3d	918	735
Net loss - equity accounted council businesses	18(a)i	492	335
Total expenses		58,724	51,874
Operating surplus / (deficit)		20	3,628
Physical resources received free of charge	2i	–	414
Asset disposal and fair value adjustments	4	(204)	(1,289)
Amounts received specifically for new or upgraded assets	2g	6,502	1,929
Net surplus / (deficit) [1]		6,318	4,682
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	156,678	31,760
Other Equity Adjustment - Equity Accounted Council Businesses	18(a)i	6,121	(1,166)
Total amounts which will not be reclassified subsequently to operating result		162,799	30,594
Total other comprehensive income		162,799	30,594
Total comprehensive income		169,117	35,276

(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 2023

$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	1,204	3,846
Trade and other receivables	5b	6,392	4,699
Inventories	5c	38	46
Total current assets		7,634	8,591
Non-current assets			
Trade and other receivables	6a	83	115
Equity accounted investments in council businesses	6b	11,072	5,409
Other non-current assets	6c	2,415	1,288
Infrastructure, property, plant and equipment	7	665,450	495,726
Total non-current assets		679,020	502,538
TOTAL ASSETS		686,654	511,129
LIABILITIES			
Current liabilities			
Trade and other payables	8a	9,924	5,131
Borrowings	8b	8,650	10,000
Provisions	8c	4,239	4,067
Total current liabilities		22,813	19,198
Non-current liabilities			
Borrowings	8b	13,785	11,205
Provisions	8c	1,107	894
Total non-current liabilities		14,892	12,099
TOTAL LIABILITIES		37,705	31,297
Net assets		648,949	479,832
EQUITY			
Accumulated surplus		187,949	175,679
Asset revaluation reserves	9a	460,029	303,351
Other reserves	9b	971	802
Total equity		648,949	479,832

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 2023

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
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
2022					
Balance at the end of previous reporting period		172,455	271,591	510	444,556
Net surplus / (deficit) for year		4,682	–	–	4,682
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7	–	31,760	–	31,760
Other Equity Adjustment - Equity Accounted Council Businesses		(1,166)	–	–	(1,166)
Other comprehensive income		(1,166)	31,760	–	30,594
Total comprehensive income		3,516	31,760	–	35,276
Transfers between reserves		(292)	–	292	–
Balance at the end of period		175,679	303,351	802	479,832

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 2023

$ '000	Notes	2023	2022
Cash flows from operating activities			
Receipts			
Operating receipts		52,172	54,407
Grants, subsidies and contributions		5,042	–
Investment receipts		97	43
Reimbursements		548	–
Other receipts		4,398	–
Payments			
Operating payments to suppliers and employees		–	(39,225)
Payments to employees		(19,159)	–
Payments for materials, contracts and other expenses		(25,310)	–
Finance payments		(884)	(737)
Net cash provided by (or used in) operating activities	11b	16,904	14,488
Cash flows from investing activities			
Receipts			
Amounts received specifically for new or upgraded assets		7,756	2,297
Sale of replaced assets		1,234	795
Repayments of loans by community groups		34	12
Payments			
Expenditure on renewal/replacement of assets		(7,993)	(6,729)
Expenditure on new/upgraded assets		(20,495)	(7,116)
Expenditure on intangible assets		(1,263)	(604)
Net cash provided (or used in) investing activities		(20,727)	(11,345)
Cash flows from financing activities			
Receipts			
Proceeds from Borrowings		11,230	5,775
Payments			
Repayments of Borrowings		(10,000)	(6,134)
Repayment of bonds and deposits		(49)	(47)
Net cash provided by (or used in) financing activities		1,181	(406)
Net increase (decrease) in cash held		(2,642)	2,737
plus: cash & cash equivalents at beginning of period		3,846	1,109
Cash and cash equivalents held at end of period	11a	1,204	3,846

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 2023

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Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Critical accounting estimates

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

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 Significant Accounting Policies (continued)

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

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

($,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

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

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

Construction contracts

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

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

(4) Cash, cash equivalents and other financial instruments

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

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

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

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

(5) Inventories

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

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held “ready for use”. Cost is determined as the fair value of the assets given as consideration plus costs incidental

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Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

to 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
Fit out	15 to 25 years
Services	30 years

Infrastructure

Bridges

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

Sub structure	40 to 100 years
Super structure	40 to 100 years
Culverts	80 to 100 years
Rail	40 to 100 years
Surfaces	13 to 40 years
Sealed Road Pavement	40 to 100 years
Sealed Road Sub-Base	160 to 400 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
Common Effluent Treatment Plant	15 to 80 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 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

Liabilities for employees' entitlements to salaries, wages and compensated absences 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 18.

(10) Provisions for reinstatement, restoration and rehabilitation

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

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

(11) Leases

Accounting policy applicable from 01 July 2019

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 2023, 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 Significant 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 18.

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 has 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

The 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 2022. Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to Australian Accounting Standards – AASB 2020-3: Annual Improvement 2018-2020 and Other Amendments

- Council adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2020-6: Amendments to Australian Accounting Standards – Classification of Liabilities as Current and Non-Current

- AASB 2020-6 defers the effective date for applying the requirements added to AASB 101 in AASB 2020-1 from annual reporting periods beginning on or after 1 January 2022 to annual reporting periods beginning after 1 January 2023, with earlier application permitted. The adoption of the amendment did not have a material impact on the financial statements.

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Note 1. Summary of Significant Accounting Policies (continued)

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Council.

Effective for annual report periods beginning on or after 1 January 2023.

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

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

- AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

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 in 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 2023

Note 2. Income

$ '000	2023	2022
(a) Rates		
General rates		
General rates	41,001	38,082
Less: discretionary rebates, remissions and write-offs	(680)	(642)
Total general rates	40,321	37,440
Other rates (including service charges)		
Landscape levy	1,517	1,574
Water supply	6	6
Community wastewater management systems	5,754	5,513
Other	10	–
Total Other Rates	7,287	7,093
Other charges		
Penalties for late payment	182	124
Legal and other costs recovered *	–	76
Total other charges	182	200
Less: discretionary rebates, remissions and write-offs		
Less: discretionary rebates, remissions and write-offs	(16)	–
Total less: discretionary rebates, remissions and write-offs	(16)	–
Total rates	47,774	44,733

(*) Legal and other costs recovered have been disclosed as reimbursements other in 2022/23

(b) Statutory charges		
Planning & Development Act Fees	662	854
Health and septic tank inspection fees	246	261
Animal registration fees and fines	382	378
Sundry	147	190
Total statutory charges	1,437	1,683
(c) User charges		
Cemetery Fees	220	136
Hall and equipment hire	116	98
Sundry	947	664
Community Wastewater Management Fees (CWMS)	807	1,792
Lease / Rental - Non-Investment Properties	864	672
Water Supply	24	20
Total user charges	2,978	3,382

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Alexandrina Council

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

Note 2. Income (continued)

$ '000	2023	2022
(d) Investment income		
- Local Government Finance Authority	57	31
- Banks and other	35	12
Other	5	3
Total investment income	97	46
(e) Reimbursements		
Private works	6	1
Insurance	367	6
Other	175	208
Total reimbursements	548	215
(f) Other income		
Insurance and other recoupments - infrastructure, property, plant and equipment *	–	83
Sundry	601	635
Total other income	601	718

(*) Insurance bonuses in 2022/23 were deducted by Council from the gross amount thus as per the Model Financial Statements the bonus has been disclosed as a reduction in the Insurance Expense (Note 3b (ii))

(g) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,502	1,929
Other grants, subsidies and contributions		
Other grants, subsidies and contributions	5,273	4,409
Total grants, subsidies and contributions	11,775	6,338
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	7,641	1,828
State Government	3,940	3,923
Other	194	587
Total	11,775	6,338
(ii) Individually significant items		
Financial Assistance Grant (FAG) received in advance as at 30 June	2,587	1,580
Supplementary Road Grant	305	301

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Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 2. Income (continued)

$ '000	2023	2022
(h) Conditions over grants and contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	3,143	2,502
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Roads Infrastructure	(1,262)	(250)
Other	(1,339)	(139)
Subtotal	(2,601)	(389)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Other	2,361	1,030
Subtotal	2,361	1,030
Unexpended at the close of this reporting period	2,903	3,143
Net increase (decrease) in assets subject to conditions in the current reporting period	(240)	641
(i) Physical resources received free of charge		
Infrastructure - Roads	–	139
Infrastructure - CWMS & Water	–	275
Total physical resources received free of charge	–	414

Alexandrina Council

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

Note 3. Expenses

$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		15,193	14,329
Employee leave expense		2,789	1,727
Superannuation - defined contribution plan contributions	17	1,477	1,379
Superannuation - defined benefit plan contributions	17	188	184
Workers' compensation insurance		731	802
Accident & Sickness Insurance		320	236
Less: capitalised and distributed costs		(1,085)	(514)
Total operating employee costs		19,613	18,143
Total number of employees (full time equivalent at end of reporting period)		178	182
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		19	18
Bad and doubtful debts		674	16
Elected members' expenses		341	360
Election expenses		174	–
Subtotal - prescribed expenses		1,208	394
(ii) Other materials, contracts and expenses			
Contractors		5,519	4,947
Waste Management		2,798	2,959
Professional services		1,723	1,097
Legal expenses		220	365
Roadside Vegetation		987	879
Communications (Phone, Fax, Mobiles, Internet & Postage)		439	583
Energy		1,846	1,249
Levies paid to Government - NRM levy		1,464	1,548
Levies - other		28	47
Sundry		4,895	3,468
Donations & Contributions		1,568	887
Insurance		561	729
Water		305	324
Subtotal - Other material, contracts and expenses		22,353	19,082
Total materials, contracts and other expenses		23,561	19,476

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Alexandrina Council

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

Note 3. Expenses (continued)

$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	1,960	1,808
Infrastructure		
- Sealed roads	3,999	3,787
- Unsealed roads	1,547	1,470
- Stormwater	918	870
- CWMS	1,491	1,365
- Footpaths	568	537
- Kerbs	512	485
- Bridges & Major Culverts	441	418
- Water	10	9
- Rec & Open Space	1,035	971
Furniture and fittings	57	81
Plant	900	903
Equipment	555	394
Other assets	11	11
Subtotal	14,004	13,109
Intangible Assets - Accumulated Amortisation	136	76
Subtotal	136	76
Total depreciation, amortisation and impairment	14,140	13,185
(d) Finance costs		
Interest on loans	918	735
Total finance costs	918	735

Note 4. Asset disposal and fair value adjustments

$ '000	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	1,234	795
Less: carrying amount of assets sold	(1,438)	(2,084)
Gain (loss) on disposal	(204)	(1,289)
Net gain (loss) on disposal or revaluation of assets	(204)	(1,289)

Alexandrina Council

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

Note 5. Current assets

$ '000	2023	2022
(a) Cash and cash equivalent assets		
Cash on Hand & at Bank	316	2,983
Deposits at call	888	863
Total cash and cash equivalent assets	1,204	3,846
(b) Trade and other receivables		
Rates - general and other	2,219	2,100
Accrued revenues	6	3
Debtors - general	4,805	2,647
Prepayments	409	369
Loans to community organisations	10	12
Subtotal	7,449	5,131
Less: provision for expected credit losses	(1,057)	(432)
Total trade and other receivables	6,392	4,699
(c) Inventories		
Stores and materials	38	46
Total inventories	38	46

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets

$ '000		2023	2022
(a) Trade and other receivables			
Receivables			
Loans to community organisations		68	100
Other - Deferred Debtors		15	15
Total receivables		83	115
Total financial assets		83	115
(b) Equity accounted investments in council businesses			
Adelaide Hills Regional Waste Management Authority	18(a)i	343	308
Fleurieu Regional Waste Authority	19(a)i	(4,248)	(4,023)
Fleurieu Regional Aquatic Centre Authority	19(a)i	14,977	9,124
Total equity accounted investments in Council businesses		11,072	5,409
(c) Other non-current assets			
Intangible Assets - Software		2,627	1,364
Intangible Assets - Accumulated Amortisation		(212)	(76)
Total		2,415	1,288
Total other non-current assets		2,415	1,288

Alexandrina Council

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

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

		as at 30/06/22					Asset movements during the reporting period									as at 30/06/23				
$ '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		–	8,017	–	–	8,017	20,495	7,988	–	–	–	(4,227)	(4,797)	–	–	–	27,476	–	–	27,476
Land	3	116,126	–	–	–	116,126	–	–	–	–	–	–	–	–	16,133	132,259	–	–	–	132,259
Land improvements		–	7,528	–	–	7,528	–	–	–	–	–	–	–	–	–	–	7,528	–	–	7,528
Buildings and other structures	2	21,749	–	(14,335)	–	7,414	–	–	–	(418)	–	169	–	–	450	23,961	–	(16,346)	–	7,615
Buildings and other structures	3	86,123	–	(40,267)	–	45,856	–	–	(10)	(1,542)	409	539	17	–	2,481	91,588	–	(43,838)	–	47,750
Infrastructure																				
- Sealed roads	3	166,107	–	(62,467)	–	103,640	–	–	(565)	(3,999)	–	116	1,441	–	93,361	276,877	–	(82,883)	–	193,994
- Unsealed roads	3	29,938	–	(14,809)	–	15,129	–	–	(455)	(1,547)	–	–	2,088	–	12,211	41,325	–	(13,899)	–	27,426
- Stormwater drainage	3	71,033	–	(20,595)	–	50,438	–	–	(26)	(918)	–	–	113	–	2,772	75,091	–	(22,712)	–	52,379
- Community Wastewater Management Scheme (CWMS)	3	75,229	–	(29,565)	–	45,664	–	–	–	(1,491)	–	–	17	–	2,472	79,457	–	(32,795)	–	46,662
- Footpaths	3	27,280	–	(6,070)	–	21,210	–	–	–	(568)	–	92	–	(3,258)	–	24,874	–	(7,398)	–	17,476
- Kerbs	3	31,940	–	(16,303)	–	15,637	–	–	–	(512)	–	70	–	–	27,269	62,315	–	(19,851)	–	42,464
- Bridges & Major Culverts	3	45,960	–	(16,588)	–	29,372	–	–	–	(441)	–	42	–	–	1,623	48,578	–	(17,982)	–	30,596
- Water	3	1,452	–	(910)	–	542	–	–	–	(10)	–	–	–	–	31	1,534	–	(971)	–	563
- Rec & Open Space	3	33,235	–	(12,173)	–	21,062	–	–	(47)	(1,035)	–	728	368	–	1,133	36,132	–	(13,923)	–	22,209
Furniture and fittings		–	1,046	(706)	–	340	–	–	–	(57)	–	27	–	–	–	–	1,073	(763)	–	310
Plant		–	9,453	(3,190)	–	6,263	–	–	(739)	(900)	–	2,397	63	–	–	–	9,617	(2,533)	–	7,084
Equipment		–	5,850	(4,542)	–	1,308	–	–	–	(555)	–	47	690	–	–	–	6,587	(5,097)	–	1,490
Capping & Reinstatement		–	856	(856)	–	–	–	–	–	–	–	–	–	–	–	–	856	(856)	–	–
Other assets		–	672	(492)	–	180	–	–	–	(11)	–	–	–	–	–	–	672	(503)	–	169
Total infrastructure, property, plant and equipment		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
Comparatives		649,832	36,170	(221,706)	–	464,296	11,061	6,729	(2,084)	(13,109)	299	(3,227)	–	–	31,760	706,172	33,422	(243,868)	–	495,726

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Alexandrina Council

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

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

Valuation of Infrastructure, Property, Plant & Equipment

Valuation of assets

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

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

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

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

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

Refer to Note 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.

continued on next page ...

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

- The valuation was provided by the Office of the Valuer-General as at 30 June 2023.

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 Wallbridge Gilbert Aztec as at 30 June 2017.

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 2018.
- The last condition assessment was undertaken by Wallbridge Gilbert Aztec as at 30 June 2018.
- Assets were indexed using the Local Government Price index for June 2023 (5.6%).

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 2020.
- The last condition assessment was undertaken by Sproutt as at 30 June 2020.

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Alexandrina Council

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

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

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

Water
- Basis of valuation: Fair Value. Additions at cost.
- 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.
- Assets were indexed using the Local Government Price index for June 2023 (5.6%).

Council plans to undertake condition-based assessments of its Infrastructure assets on a four-yearly rolling program in consultation with its external asset management consultants.

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 2023

Note 8. Liabilities

$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a) Trade and other payables				
Goods and services	6,301	–	2,671	–
Payments received in advance	693	–	591	–
- Grants, subsidies, contributions - operating	113	–	344	–
- Grants and contributions - capital	2,249	–	995	–
Accrued expenses - employee entitlements	199	–	146	–
Accrued expenses - finance costs	327	–	293	–
Deposits, retentions and bonds	42	–	91	–
Total trade and other payables	9,924	–	5,131	–
(b) Borrowings				
Loans	8,650	13,785	10,000	11,205
Total Borrowings	8,650	13,785	10,000	11,205

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

(c) Provisions				
Employee Entitlements (including oncosts)				
Long Service Leave (including oncosts)	2,133	553	1,933	323
Annual, Sick & Other Leave (including oncosts)	2,079	–	2,108	–
Future Reinstatement / Restoration1	27	554	26	571
Total provisions	4,239	1,107	4,067	894

Alexandrina Council

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

Note 9. Reserves

$ '000	as at 30/06/22 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/23 Closing Balance
(a) Asset revaluation reserve					
Land - community	93,665	16,133	–	–	109,798
Buildings and other structures	22,459	2,931	–	–	25,390
Infrastructure					
- Sealed roads	66,458	93,361	–	–	159,819
- Stormwater	40,816	2,772	–	–	43,588
- CWMS	10,750	2,472	–	–	13,222
- Unsealed roads	9,691	12,211	–	–	21,902
- Footpaths	10,742	(3,258)	–	–	7,484
- Kerbs	9,659	27,269	–	–	36,928
- Bridges & Major Culverts	27,273	1,623	–	–	28,896
- Water	645	31	–	–	676
- Rec & Open Space	11,193	1,133	–	–	12,326
Total asset revaluation reserve	303,351	156,678	–	–	460,029
Comparatives	271,591	31,760	–	–	303,351

$ '000	as at 30/06/22 Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/23 Closing Balance
(b) Other reserves					
Open Space	715	169	–	–	884
Car Parking	87	–	–	–	87
Total other reserves	802	169	–	–	971
Comparatives	510	292	–	–	802

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.

Note 10. Assets subject to restrictions

Council does not hold any assets subject to restrictions.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

$ '000	Notes	2023	2022
(a) Reconciliation of cash			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	5	1,204	3,846
Balances per Statement of Cash Flows		1,204	3,846
(b) Reconciliation of change in net assets to cash from operating activities			
Net surplus/(deficit)		6,318	4,682
Non-cash items in income statements			
Depreciation, amortisation and impairment		14,140	13,185
Equity movements in equity accounted investments (increase)/decrease		456	18
Non-cash asset acquisitions		–	(414)
Grants for capital acquisitions treated as investing activity		(6,502)	(1,929)
Net (gain)/loss on disposals		204	1,289
		14,616	16,831
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(2,320)	(382)
Change in allowances for under-recovery of receivables		(625)	15
Net (increase)/decrease in inventories		8	(627)
Net (increase)/decrease in other assets		1,250	105
Net increase/(decrease) in trade and other payables		3,590	(1,023)
Net increase/(decrease) in other provisions		385	(431)
Net cash provided by (or used in) operations		16,904	14,488

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Alexandrina Council

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

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

$ '000	Notes	2023	2022
(c) Non-cash financing and investing activities			
Acquisition of assets by means of:			
Physical resources received free of charge	2i	–	414
Amounts recognised in income statement		–	414
Total non-cash financing and investing activities		–	414

(d) 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	42
LGFA cash advance debenture facility	22,565	16,235

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

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 12(a). Functions

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

$ '000	INCOME 2023	INCOME 2022	EXPENSES 2023	EXPENSES 2022	OPERATING SURPLUS (DEFICIT) 2023	OPERATING SURPLUS (DEFICIT) 2022	GRANTS INCLUDED IN INCOME 2023	GRANTS INCLUDED IN INCOME 2022	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2023	TOTAL ASSETS HELD (CURRENT AND NON-CURRENT) 2022
Functions/Activities										
Office of the Chief Executive	–	91	–	1,320	–	(1,229)	–	–	–	–
Resources	–	41,851	–	11,964	–	29,887	–	1,833	–	21,786
Environment	–	2,147	–	23,859	–	(21,712)	–	1,379	–	486,296
Wellbeing	–	10,193	–	10,264	–	(71)	–	1,135	–	2,346
Growth	–	1,220	–	4,467	–	(3,247)	–	62	–	701
Office of the Chief Executive	1	–	778	–	(777)	–	–	–	–	–
Community	3,835	–	17,699	–	(13,864)	–	452	–	170	–
Corporate	45,528	–	7,196	–	38,332	–	2,232	–	24,631	–
Infrastructure	9,380	–	33,051	–	(23,671)	–	2,589	–	661,853	–
Total Functions/Activities	58,744	55,502	58,724	51,874	20	3,628	5,273	4,409	686,654	511,129

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 2023

Note 12(b). Components of functions

During 2022/23 Council underwent a major reporting restructure. Comparison between the structures is not meaningful.

The activities relating to Council functions are as follows:

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

2022

OFFICE OF THE CHIEF EXECUTIVE
Elected Members, Chief Executive's Office, Risk management, General Administration, Strategic Management, Communications and Natural Resources.

RESOURCES
Payroll, Rate Revenue, Finance General, Rate Processing, Debtors, Creditors, Loans & Investments Management, Records Management, Audit, Information Technology, Management of Council Owned Properties (inc Halls, Administration Centres, and Public Conveniences, Caravan Parks etc), and Procurement.

ENVIRONMENT
Infrastructure/Assets/Contracts Management, Swimming Centres, Public Conveniences, Street Lighting, Parking off Street, Sport and Recreation Facilities, Private Works, Foreshore Protection, Alexandrina Riverfront, Recreational Boating, Parks and Gardens, Playgrounds, Road Reserves, Cemeteries, Street Cleaning, Stormwater Drainage, Traffic Control, Road Maintenance, Resheeting, Footpath/Cycle Tracks, Vandalism, Plant Operations, Works Depot, and Technical Services.

WELLBEING
Work Health & Safety, Human Resource Management, Health Prevention Services, Noxious Insects, Health Services, General Inspectors, (Dog & Cat Management, Impounding, Livestock, Parking), Fire Protection, Water Supply Scheme, Community Wastewater Management Schemes, Waste Management, Libraries (Goolwa & Strathalbyn) & Customer Service, Centre for Positive ageing, Aged/Disabled/Disadvantaged Homes, Community Bus, Community Aid Services, Fleurieu Families/Family Links, Home Assist, Community Services, Youth Services, Events, and Regional Arts Centre.

GROWTH
Signal Point Interpretive Centre, Cultural Services, Tourism, Oscar W, Wooden Boat Festival, Economic Development, Development Assessment (Planning & Building), and Visitor Information Services (VIS).

Alexandrina Council

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

Note 13. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

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

Terms & Conditions:
Deposits are returning fixed interest rates between 1.05% and 4.05% (2022 between 0.3% and 1.05%).

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 0.483% (2022: 0.421%). 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 2023

Note 13. Financial instruments (continued)

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

Carrying amount:
Approximates fair value.

Liabilities - interest bearing borrowings

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

Terms & Conditions:
Secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 2.8% and 6.05% (2022: 1.3% and 5.3%).

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					
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	6,670
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	29,105
Total financial assets and liabilities	22,523	2,956	10,896	36,375	36,375
2022					
Financial assets					
Cash and cash equivalents	3,846	–	–	3,846	3,846
Receivables	4,347	58	40	4,445	4,445
Total financial assets	8,193	58	40	8,291	8,291
Financial liabilities					
Payables	4,641	–	–	4,641	4,641
Current borrowings	10,000	–	–	10,000	10,000
Non-current borrowings	–	10,725	480	11,205	11,205
Total financial liabilities	14,641	10,725	480	25,846	25,846
Total financial assets and liabilities	22,834	10,783	520	34,137	34,137

continued on next page ...

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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

	2023		2022	
$ '000	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.76%	22,435	1.93%	11,205
Fixed interest rates	0.00%	–	5.30%	10,000
		22,435		21,205

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 2023 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

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 2023

Note 14. Capital expenditure and investment property commitments

$ '000	2023	2022
(a) Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Plant and equipment	2,557	2,031
Infrastructure	20,134	8,159
	22,691	10,190
These expenditures are payable:		
Not later than one year	22,691	10,190
	22,691	10,190
(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	18
Waste Management	–	7,611
Other Expenditure	2,967	1,975
	3,005	9,604
These expenditures are payable:		
Not later than one year	2,456	3,621
Later than one year and not later than 5 years	549	5,983
	3,005	9,604

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 15. Financial indicators

$ '000	Amounts 2023	Indicator 2023	Indicators 2022	Indicators 2021
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	**20**	**0.0%**	6.5%	0.6%
Total operating income	**58,744**			
This ratio expresses the operating surplus as a percentage of total operating revenue.				
2. Net Financial Liabilities Ratio				
Net financial liabilities	**30,026**	**51%**	41%	52%
Total operating income	**58,744**			
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjusted Operating Surplus Ratio				
Operating surplus	**(988)**	**(1.7)%**	5.5%	0.3%
Total operating income	**57,736**			
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 Net Financial Liabilities Ratio				
Net financial liabilities	**32,613**	**56%**	44%	53%
Total operating income	**57,736**			
3. Asset Renewal Funding Ratio				
Asset renewals	**7,993**	**116%**	95%	68%
Infrastructure and Asset Management Plan required expenditure	**6,886**			
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.				

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 16. Uniform presentation of finances

$ '000	2023	2022
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	47,774	44,733
Statutory charges	1,437	1,683
User charges	2,978	3,382
Grants, subsidies and contributions - operating	5,273	4,409
Investment income	97	46
Reimbursements	548	215
Other income	601	718
Net gain - equity accounted council businesses	36	316
Total Income	58,744	55,502
Expenses		
Employee costs	19,613	18,143
Materials, contracts and other expenses	23,561	19,476
Depreciation, amortisation and impairment	14,140	13,185
Finance costs	918	735
Net loss - equity accounted council businesses	492	335
Total Expenses	58,724	51,874
Operating surplus / (deficit)	20	3,628
Adjusted Operating surplus / (deficit)	20	3,628
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(7,993)	(6,729)
Add back depreciation, amortisation and impairment	14,140	13,185
Add back proceeds from sale of replaced assets	1,234	795
	7,381	7,251
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(20,495)	(10,647)
Add back amounts received specifically for new and upgraded assets	7,756	2,297
	(12,739)	(8,350)
Annual net impact to financing activities (surplus/(deficit))	(5,338)	2,529

Note 17. 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 2023

Note 17. 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 (10.5% in 2022/23; 10% in 2021/22). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

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

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

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

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

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 18. Interests in other entities

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

$ '000	Council's Share of Net Income 2023	Council's Share of Net Income 2022	Council's Share of Net Assets 2023	Council's Share of Net Assets 2022
Council's share of net income				
Joint ventures	(456)	(19)	11,072	5,409
Total Council's share of net income	(456)	(19)	11,072	5,409

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

(a) Carrying amounts

$ '000	Principal Activity	2023	2022
Adelaide Hills Regional Waste Management Authority	Waste Management	343	308
Fleurieu Regional Aquatic Centre Authority	Aquatic Centre	14,977	9,124
Fleurieu Regional Waste Authority	Waste Management	(4,248)	(4,023)
Total carrying amounts - joint ventures and associates		11,072	5,409

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 organisation revalued their assets at 30 June 2023. Council's share in the increase in net asset value is $6.1m.

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 and 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 and will continue during 2022/23.

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 2022/23 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 2023

Note 18. Interests in other entities (continued)

(b) Relevant interests

	Ownership Share of Equity		Proportion of Voting Power	
	2023	2022	2023	2022
Adelaide Hills Regional Waste Management Authority	9.10%	9.20%	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	2023	2022	2023	2022	2023	2022	2023	2022
Opening Balance	308	275	9,124	9,459	(4,024)	(3,141)	–	–
Share in Operating Result	36	33	(268)	(335)	(224)	283	–	–
Other Equity Adjustment	–	–	6,121	–	–	(1,166)	–	–
Council's equity share in the joint venture or associate	344	308	14,977	9,124	(4,248)	(4,024)	–	–

(d) Transactions with Council

$ '000	2023	2022
Aggregate amount of transactions with Council		
- payments to Council	719	451
- receipts from Council	3,672	3,908
Aggregate amount owed to/owed by with Council		
- payments to Council	505	55
- receipts from Council	1	8

(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	448	363
Add Port Elliot Caravan Park Lease (55%)	–	126
Capital Grant	–	38
Interest	13	1
Less Reimbursed Expenditure	–	80
Add Outstanding Withdrawal	–	–
Closing LGFA Balance	461	448

Note 19. Non-current assets held for sale and discontinued operations

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

Note 20. 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** (2022: **$120,000**) at reporting date.

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

4. Legal expenses

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 appeal made prior to reporting date. However, this has been subsequently withdrawn.

5. 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.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 21. Events after the balance sheet date

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

The settlement after the reporting period of legal proceedings for trade and other receivables, confirmed that Council had a present obligation at the end of the reporting period.
Council has adjusted the provison to reflect the settlement.

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 22. Related party transactions

Key management personnel

Transactions with key management personnel

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

$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,589	1,533
Post-employment benefits	121	119
Total	1,710	1,652

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

A Key Management Personnel owns a business from which various services were purchased as required on 7 day account. Total purchases amounting to $855.80 were made during 2022/23 ($3,443 were made during 2021-22). There were no outstanding balances at 30/06/2023. All purchases were conducted at an arm's length basis.

A Key Management Personnel is on the board of a community group from which landscaping works were procured as required on 30 day account. Total purchases amounting to $4,718 were made durig 2022/23 ($15,481.62 were made during 2021-22). A balance of $1,497 is outstanding at the end of the year. The outstanding balance of $8,902.12 at the end of financial year 2022 was paid during the 2022-23 year. All purchases were conducted at an arm's length basis

Galpins
Accountants, Auditors
& Business Consultants

CHARTERED ACCOUNTANTS™
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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 2023, 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 2023, 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.

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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

8 March 2024

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Accountants, Auditors
& Business Consultants

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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 2022 to 30 June 2023 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 2022 to 30 June 2023.

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 2022 to 30 June 2023. 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.

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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 2022 to 30 June 2023. 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

8 March 2024

Alexandrina Council

General Purpose Financial Statements

for the year ended 30 June 2023

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Alexandrina Council for the year ended 30 June 2022, 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*.

Nigel Morris
Chief Executive Officer

Alice McCleary
Presiding Member, Audit and Risk Committee

Date: 08 March 2024

Galpins
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& Business Consultants

CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

ALEXANDRINA COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended 30 June 2023

Statement by Auditor

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

8 March 2024

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