



Alexandrina Council

Financial Statements 30 June 2021

Connecting Communities

General Purpose Financial Statements

for the year ended 30 June 2021

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Alexandrina Council

General Purpose Financial Statements for the year ended 30 June 2021

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 2021 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.



Mark van der Pennen
Acting Chief Executive Officer

Date: 3 / 11 / 2021



Keith Parkes
Mayor

Date: 14 / 11 / 2021

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Rates	2a	42,290	41,234
Statutory Charges	2b	1,390	999
User Charges	2c	2,467	1,724
Grants, Subsidies and Contributions	2g	4,352	3,407
Investment Income	2d	6	11
Reimbursements	2e	304	446
Other income	2f	743	872
Net Gain - Equity Accounted Council Businesses	19(a)	164	45
Total Income		51,716	48,738
Expenses			
Employee costs	3a	16,895	16,704
Materials, Contracts and Other Expenses	3b	17,764	17,999
Depreciation, Amortisation and Impairment	3c	12,082	12,092
Finance Costs	3d	863	1,145
Net loss - Equity Accounted Council Businesses	19(a)	3,806	353
Total Expenses		51,410	48,293
Operating Surplus / (Deficit)		306	445
Physical Resources Received Free of Charge	2i	1,526	2,339
Asset Disposal & Fair Value Adjustments	4	(1,352)	(1,258)
Amounts Received Specifically for New or Upgraded Assets	2g	2,418	1,407
Net Surplus / (Deficit) ¹		2,898	2,933
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	1,897	10,520
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	—	21
Total Amounts which will not be reclassified subsequently to operating result		1,897	10,541
Total Other Comprehensive Income		1,897	10,541
Total Comprehensive Income		4,795	13,474

(1) Transfer to Statement of Changes in Equity

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

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	1,109	1,126
Trade & Other Receivables	5b	4,438	4,051
Inventories	5c	23	25
Total current assets		5,570	5,202
Non-current assets			
Financial Assets	6a	126	129
Equity Accounted Investments in Council Businesses	6b	6,593	10,235
Other Non-Current Assets	6c	760	–
Infrastructure, Property, Plant & Equipment	7a(i)	464,296	460,618
Total non-current assets		471,775	470,982
TOTAL ASSETS		477,345	476,184
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,833	7,871
Borrowings	8b	334	894
Provisions	8c	4,171	1,924
Total Current Liabilities		10,338	10,689
Non-Current Liabilities			
Borrowings	8b	21,230	22,475
Provisions	8c	1,221	3,259
Total Non-Current Liabilities		22,451	25,734
TOTAL LIABILITIES		32,789	36,423
Net Assets		444,556	439,761
EQUITY			
Accumulated surplus		172,455	169,659
Asset revaluation reserves	9a	271,591	269,694
Other reserves	9b	510	408
Total Equity		444,556	439,761

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

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2021					
Balance at the end of previous reporting period		169,659	269,694	408	439,761
Net Surplus / (Deficit) for Year		2,898	—	—	2,898
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	1,897	—	1,897
- Share of OCI - Equity Accounted Council Businesses		—	—	—	—
Other comprehensive income		—	1,897	—	1,897
Total comprehensive income		2,898	1,897	—	4,795
Transfers between Reserves		(102)	—	102	—
Balance at the end of period		172,455	271,591	510	444,556
2020					
Balance at the end of previous reporting period		165,819	259,174	1,294	426,287
Net Surplus / (Deficit) for Year		2,933	—	—	2,933
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	10,520	—	10,520
- Share of OCI - Equity Accounted Council Businesses		21	—	—	21
Other comprehensive income		21	10,520	—	10,541
Total comprehensive income		2,954	10,520	—	13,474
Transfers between Reserves		886	—	(886)	—
Balance at the end of period		169,659	269,694	408	439,761

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

Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Operating Receipts		52,170	49,610
Investment Receipts		6	11
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(36,267)	(34,256)
Finance Payments		(938)	(1,244)
Net cash provided by (or used in) Operating Activities	11b	<u>14,971</u>	<u>14,121</u>
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		1,266	2,707
Sale of Replaced Assets		407	107
Repayments of Loans by Community Groups		–	49
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(5,199)	(3,206)
Expenditure on New/Upgraded Assets		(9,778)	(6,200)
Capital contributed to Equity Accounted Council Businesses		–	(21)
Net cash provided (or used in) investing activities		<u>(13,304)</u>	<u>(6,564)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Borrowings		–	–
<u>Payments</u>			
Repayments of Borrowings		(1,684)	(7,336)
Repayment of Finance Lease Liabilities		–	(91)
Net Cash provided by (or used in) Financing Activities		<u>(1,684)</u>	<u>(7,427)</u>
Net Increase (Decrease) in Cash Held		<u>(17)</u>	<u>130</u>
plus: Cash & Cash Equivalents at beginning of period		1,126	996
Cash and cash equivalents held at end of period	11a	<u>1,109</u>	<u>1,126</u>

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

Notes to and forming part of the Principal Financial Statements for the year ended 30 June 2021

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Notes to the Financial Statements

for the year ended 30 June 2021

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 Estimates and assumptions

The COVID-19 pandemic has impacted the 2020/21 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2021/22 financial year but these have been largely taken into account during the development of the budget process for 2021/22. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

1.4 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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

(\$,000)	Cash Payment Received	Annual Allocation	Difference
2018/19	\$2,419	\$1,723	+ \$696
2019/20	\$1,512	\$1,700	- \$188
2020/21	\$1,760	\$1,620	+\$140

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(5) Inventories

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

(6) Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

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

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.

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

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

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture and Fittings	10 to 35 years
Office Electrical Equipment	4 to 10 years

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Computer Equipment	3 to 10 years
Minor Equipment	5 to 25 years
Plant	units of usage
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

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

Change in Accounting Treatment

Annual Leave – Total balance at 30 June 2021, is considered as current liability, where previously only four weeks of annual leave was considered as current.

Long Service Leave - Total balance at 30 June 2021, for employees who had completed seven years of continuous service within Local Government now considered as current liability where previously the current liability was determined on basis of actual long service leave taken in previous years.

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 Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Provisions for Reinstatement, Restoration and Rehabilitation

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

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

(11) Leases

Accounting policy applicable from 01 July 2019

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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 2021, 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.

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.

As at 30 June 2021, Council applied this treatment to remove lease liability of \$121k.

(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 19.

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 its 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 standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

(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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income

\$ '000	2021	2020
(a) Rates		
General Rates		
General Rates	36,349	35,401
Less: Discretionary Rebates, Remissions & Write Offs	(557)	(553)
Total General Rates	35,792	34,848
Other Rates (Including Service Charges)		
Natural Resource Management Levy	1,551	1,535
Water Supply	5	5
Community Wastewater Management Systems	4,765	4,632
Total Other Rates (Including Service Charges)	6,321	6,172
Other Charges		
Penalties for Late Payment	177	214
Total Other Charges	177	214
Total Rates	42,290	41,234
(b) Statutory Charges		
Development Act Fees	237	173
Town Planning Fees	363	194
Health & Septic Tank Inspection Fees	252	140
Animal Registration Fees & Fines	350	339
Sundry	188	153
Total Statutory Charges	1,390	999
(c) User Charges		
Cemetery Fees	128	111
Hall & Equipment Hire	94	80
Sundry	477	533
Community Wastewater Management Fees (CWMS)	999	289
Lease / Rental - Non-Investment Properties	643	622
Waste Management Fees	105	68
Water Supply	21	21
Total User Charges	2,467	1,724

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
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(d) Investment Income

- Local Government Finance Authority	4	8
- Banks & Other	2	3
Total Investment Income	6	11

(e) Reimbursements

Roadworks	2	39
Private Works	23	5
Other	279	402
Total Reimbursements	304	446

(f) Other income

Insurance & Other Recoupments - Infrastructure, IPP&E	86	138
Sundry	657	433
Remeasurement of Capping Provision	—	301
Total Other income	743	872

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	2,418	1,407
Other Grants, Subsidies and Contributions	4,352	3,407
Total Grants, Subsidies, Contributions	6,770	4,814

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

(i) Sources of grants

Commonwealth Government	3,181	2,126
State Government	2,174	1,832
Other	1,415	856
Total	6,770	4,814

(ii) Individually Significant Items

Financial Assistance Grant (FAG) received in advance as at 30 June	971	1,021
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Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
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(h) Conditions over Grants & 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	2	889
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Roads Infrastructure	–	(190)
Heritage & Cultural Services	–	(199)
Other	–	(500)
Subtotal	–	(889)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Roads Infrastructure	824	2
Heritage & Cultural Services	542	–
Other	1,134	–
Subtotal	2,500	2
Unexpended at the close of this reporting period	2,502	2
Net increase (decrease) in assets subject to conditions in the current reporting period	2,500	(887)

(i) Physical Resources Received Free of Charge

Infrastructure - Roads	357	328
Infrastructure - Stormwater	277	1,124
Infrastructure - CWMS & Water	324	334
Infrastructure - Kerbs & Footpaths	529	125
Infrastructure - Bridges and Major culverts	–	421
Infrastructure - Recreation Open Space	39	7
Total Physical Resources Received Free of Charge	1,526	2,339

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses

\$ '000	Notes	2021	2020
(a) Employee costs			
Salaries and Wages		13,527	12,993
Employee Leave Expense		1,601	1,936
Superannuation - Defined Contribution Plan Contributions	18	1,261	1,243
Superannuation - Defined Benefit Plan Contributions	18	203	209
Workers' Compensation Insurance		637	659
Accident & Sickness Insurance		259	249
Less: Capitalised and Distributed Costs		(593)	(585)
Total Operating Employee Costs		16,895	16,704
Total Number of Employees (full time equivalent at end of reporting period)		177	174
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		19	19
Bad and Doubtful Debts		—	10
Elected Members' Expenses		425	480
Other		63	—
Subtotal - Prescribed Expenses		507	509
(ii) Other Materials, Contracts and Expenses			
Contractors		2,996	3,748
- Waste Management		3,303	2,665
- Professional Services		1,078	1,179
- Legal Expenses		234	379
- Roadside Vegetation		666	585
- Community Wastewater Management Schemes		763	657
Communications (Phone, Fax, Mobiles, Internet & Postage)		468	495
Energy		1,177	1,213
Levies Paid to Government - NRM levy		1,532	1,534
Levies - Other		25	32
Sundry		2,860	2,734
Donations & Contributions		1,091	1,518
Insurance		751	417
Water		313	334
Subtotal - Other Material, Contracts & Expenses		17,257	17,490
Total Materials, Contracts and Other Expenses		17,764	17,999

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	2021	2020
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	1,717	1,696
Infrastructure		
- Sealed Roads	3,704	3,642
- Unsealed Roads	1,439	1,416
- Stormwater	863	826
- CWMS	1,218	1,181
- Footpaths	518	498
- Kerbs	477	468
- Bridges & Major Culverts	493	417
- Water	18	17
- Rec & Open Space	887	849
Right-of-use Assets	–	91
Furniture & Fittings	79	80
Plant	414	512
Equipment	244	388
Other Assets	11	11
Total Depreciation, Amortisation and Impairment	12,082	12,092

(d) Finance Costs

Interest on Loans	863	1,145
Total Finance Costs	863	1,145

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	407	107
Less: Carrying Amount of Assets Sold	(1,759)	(1,365)
Gain (Loss) on Disposal	(1,352)	(1,258)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,352)	(1,258)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$ '000	2021	2020
(a) Cash & Cash Equivalent Assets		
Cash on Hand & at Bank	309	283
Deposits at Call	800	843
<u>Total Cash & Cash Equivalent Assets</u>	<u>1,109</u>	<u>1,126</u>
(b) Trade & Other Receivables		
Rates - General & Other	1,979	2,014
Accrued Revenues	–	1
Debtors - General	2,389	2,056
Prepayments	474	389
Loans to Community Organisations	13	9
<u>Subtotal</u>	<u>4,855</u>	<u>4,469</u>
Less: Allowance for Doubtful Debts	(417)	(418)
<u>Total Trade & Other Receivables</u>	<u>4,438</u>	<u>4,051</u>
(c) Inventories		
Stores & Materials	23	25
<u>Total Inventories</u>	<u>23</u>	<u>25</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Non-Current Assets

\$ '000	2021	2020
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(a) Financial Assets

Receivables

Loans to Community Organisations	111	114
Other - Deferred Debtors	15	15
Total Receivables	126	129

Total Financial Assets

126	129
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\$ '000	Notes	2021	2020
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(b) Equity Accounted Investments in Council Businesses

Adelaide Hills Regional Waste Management Authority	19(a)i	275	111
Fleurieu Regional Waste Authority	19(a)i	(3,141)	306
Fleurieu Regional Aquatic Centre Authority	19(a)i	9,459	9,818
Total Equity Accounted Investments in Council Businesses		6,593	10,235

(c) Other Non-Current Assets

Intangible Assets - Software	760	—
Intangible Assets - Accumulated Amortisation	—	—
Total	760	—
Total Other Non-Current Assets	760	—

Disclosure

\$142,000 Transfer from Capital Works in Progress to the intangible Assets - Software during the financial year ended 30 June 2021

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment

(a(i)) Infrastructure, Property, Plant & Equipment

		as at 30/06/20				Asset movements during the reporting period										as at 30/06/21			
		Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Transition adjustment - AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
\$ '000																			
Capital Work in Progress			—	3,580	—	3,580	—	6,661	1,145	—	—	(142)	—	—	—	—	11,244	—	11,244
Land - Community	3	102,610	8	—	—	102,618	—	—	—	—	—	—	—	—	—	102,610	8	—	102,618
Land Improvements			—	7,460	—	7,460	—	68	—	—	—	—	—	—	—	—	7,528	—	7,528
Buildings & Other Structures	2	26,232	—	(18,238)	—	7,994	—	171	30	(2)	(436)	—	(879)	—	27	20,205	—	(13,300)	6,905
Buildings & Other Structures Infrastructure	3	70,993	—	(30,604)	—	40,389	—	272	54	—	(1,281)	—	879	—	142	77,864	—	(37,409)	40,455
- Sealed Roads	3	155,007	—	(52,273)	—	102,734	—	408	1,113	(658)	(3,704)	—	—	—	985	156,488	—	(55,609)	100,879
- Unsealed Roads	3	27,670	—	(12,695)	—	14,975	—	167	868	(320)	(1,439)	—	—	(47)	—	28,039	—	(13,835)	14,204
- Stormwater Drainage	3	66,519	—	(17,781)	—	48,738	—	649	—	(85)	(863)	—	—	—	194	67,303	—	(18,670)	48,633
- Community Wastewater Management Scheme (CWMS)	3	65,319	—	(25,386)	—	39,933	—	336	260	(74)	(1,218)	—	—	—	138	66,060	—	(26,685)	39,375
- Footpaths	3	24,830	—	(4,876)	—	19,954	—	492	226	(171)	(518)	—	—	—	179	25,438	—	(5,276)	20,162
- Kerbs	3	29,826	—	(14,519)	—	15,307	—	417	10	(16)	(477)	—	—	—	60	30,284	—	(14,983)	15,301
- Bridges & Major Culverts	3	43,431	—	(14,766)	—	28,665	—	—	—	—	(493)	—	—	—	113	43,605	—	(15,320)	28,285
- Water	3	1,372	—	(833)	—	539	—	—	—	—	(18)	—	—	—	2	1,377	—	(854)	523
- Rec & Open Space	3	29,665	—	(9,704)	—	19,961	—	947	45	(191)	(887)	—	—	—	104	30,559	—	(10,580)	19,979
Right-of-Use Assets		212	—	(91)	—	121	—	—	—	—	—	—	(121)	—	—	—	—	—	—
Furniture & Fittings		—	981	(546)	—	435	—	—	65	—	(79)	—	—	—	—	—	1,046	(625)	421
Plant		—	8,704	(2,850)	—	5,854	—	—	1,124	(242)	(414)	—	—	—	—	—	9,200	(2,879)	6,321
Equipment		—	5,259	(4,099)	—	1,160	—	98	259	—	(244)	—	—	—	—	—	5,616	(4,343)	1,273
Capping & Reinstatement		—	856	(856)	—	—	—	—	—	—	—	—	—	—	—	—	856	(856)	—
Other Assets		—	672	(471)	—	201	—	—	—	—	(11)	—	—	—	—	—	672	(482)	190
Total Infrastructure, Property, Plant & Equipment			643,686	27,520	(210,588)	460,618	—	10,686	5,199	(1,759)	(12,082)	(142)	(121)	(47)	1,944	649,832	36,170	(221,706)	464,296
Comparatives			619,220	28,226	(195,848)	451,598	212	8,548	3,206	(1,365)	(12,092)	(6)	—	(769)	11,289	643,686	27,520	(210,588)	460,618

Notes to the Financial Statements

for the year ended 30 June 2021

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

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

Other Information

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

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

Highest and best use

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

Land - Community

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by the Office of the Valuer-General as at 30 June 2019,

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 Sprutt 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 March 2021 (0.4%).

Alexandrina Council has identified assets which are required to be valued under a market approach, in accordance with AASB 13 - Fair Value Measurement. This asset class is next due to be revalued in 2022/23.

Infrastructure

Roads

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Wallbridge Gilbert Aztec as at 31 December 2017.
- The last condition assessment was undertaken by Council staff as at 30 June 2018.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

Notes to the Financial Statements

for the year ended 30 June 2021

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

Stormwater Drainage

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Wallbridge Gilbert Aztec as at 30 June 2017.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

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 March 2021 (0.4%).

Footpaths

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Wallbridge Gilbert Aztec as at 30 June 2017.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

Kerbs

- Basis of valuation: Fair Value. Additions at cost.
- The last external valuation was undertaken by Wallbridge Gilbert Aztec as at 30 June 2017.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

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.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

Water

- Basis of valuation: Fair Value. Additions at cost.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

Recreation & Open Space

- Basis of valuation: Fair Value. Additions at cost.
- Assets were indexed using the Local Government Price index for March 2021 (0.4%).

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.

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.

Right-of-use Assets

- Basis of valuation: Recognised at cost.
- Represents the Council's authority to utilise leased items of office space and equipment. Council did not lease any items required to be recognised as Right-of-use assets as at 30 June 2021.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities

\$ '000	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a) Trade and Other Payables				
Goods & Services	3,405	—	4,561	—
Payments Received in Advance	976	—	444	—
- Grants, Subsidies, Contributions - Operating	325	—	9	—
- Grants & Contributions - Capital	627	—	1,779	—
Accrued Expenses - Employee Entitlements	54	—	453	—
Accrued Expenses - Finance Costs	295	—	370	—
Accrued Expenses - Other	13	—	23	—
Deposits, Retentions & Bonds	138	—	232	—
<u>TOTAL Trade and Other Payables</u>	<u>5,833</u>	<u>—</u>	<u>7,871</u>	<u>—</u>

\$ '000	Notes	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(b) Borrowings					
Loans		334	21,230	773	22,475
Lease Liabilities	17b	—	—	121	—
<u>TOTAL Borrowings</u>		<u>334</u>	<u>21,230</u>	<u>894</u>	<u>22,475</u>

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

(c) Provisions

Employee Entitlements (including oncosts)				
Long Service Leave (including oncosts)	1,848	630	320	2,194
Annual, Sick & Other Leave (including oncosts)	2,297	—	1,571	493
Future Reinstatement / Restoration ¹	26	591	33	572
<u>TOTAL Provisions</u> ¹	<u>4,171</u>	<u>1,221</u>	<u>1,924</u>	<u>3,259</u>

(1) Please refer to Note 1, 9.1 Change in Accounting Treatment for more information.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves

	as at 30/06/20				as at 30/06/21
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land - Community	80,157	—	—	—	80,157
Buildings & Other Structures	19,544	169	—	—	19,713
Infrastructure					
- Sealed Roads	60,153	985	—	—	61,138
- Stormwater	38,038	194	—	—	38,232
- CWMS	8,275	138	—	—	8,413
- Unsealed Roads	8,973	(47)	—	—	8,926
- Footpaths	9,476	179	—	—	9,655
- Kerbs	8,798	60	—	—	8,858
- Bridges & Major Culverts	25,655	113	—	—	25,768
- Water	613	2	—	—	615
- Rec & Open Space	10,012	104	—	—	10,116
Total Asset Revaluation Reserve	269,694	1,897	—	—	271,591
Comparatives	259,174	10,520	—	—	269,694

	as at 30/06/20				as at 30/06/21
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Open Space	321	—	—	—	321
Car Parking	87	—	102	—	189
Total Other Reserves	408	—	102	—	510
Comparatives	1,294	5,067	(5,953)	—	408

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
(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 Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	1,109	1,126
Balances per Statement of Cash Flows		1,109	1,126
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		2,898	2,933
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		12,082	12,092
Equity Movements in Equity Accounted Investments (Increase)/Decrease		3,642	(308)
Non-Cash Asset Acquisitions		(1,526)	(2,339)
Grants for capital acquisitions treated as Investing Activity		(2,418)	(1,407)
Net (Gain) Loss on Disposals		1,352	1,258
		16,030	12,229
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(297)	1,276
Change in Allowances for Under-Recovery of Receivables		(1)	(10)
Net (Increase)/Decrease in Inventories		2	8
Net (Increase)/Decrease in Other Current Assets		(85)	19
Net Increase/(Decrease) in Trade & Other Payables		(811)	1,173
Net Increase/(Decrease) in Other Provisions		209	(263)
Net Increase/(Decrease) in Other Liabilities		(76)	(311)
Net Cash provided by (or used in) operations		14,971	14,121

Notes to the Financial Statements

for the year ended 30 June 2021

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

\$ '000	Notes	2021	2020
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
Physical Resources Received Free of Charge	2i	1,526	2,339
Amounts recognised in Income Statement		<u>1,526</u>	<u>2,339</u>
Total Non-Cash Financing and Investing Activities		<u>1,526</u>	<u>2,339</u>

(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	40
LGFA Cash Advance Debenture Facility	21,840	21,499

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

Notes to the Financial Statements

for the year ended 30 June 2021

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	2021	INCOME 2020	2021	EXPENSES 2020	OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
					2021	2020	2021	2020	2021	2020
Functions/Activities										
Business Undertakings	–	–	–	–	–	–	–	–	1	–
Office of the Chief Executive	633	602	1,843	2,311	(1,210)	(1,709)	29	121	–	39
Resources	40,062	38,833	7,013	7,334	33,049	31,499	1,350	1,038	18,871	22,661
Environment	2,467	1,871	22,659	20,756	(20,192)	(18,885)	2,281	1,614	457,317	452,871
Wellbeing	7,680	6,921	15,955	14,069	(8,275)	(7,148)	576	620	455	4
Growth	874	511	3,940	3,823	(3,066)	(3,312)	116	14	701	609
Total Functions/Activities	51,716	48,738	51,410	48,293	306	445	4,352	3,407	477,345	476,184

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

OFFICE OF THE CHIEF EXECUTIVE

Elected Members, Chief Executive's Office, Work Health & Safety, Risk Management, General Administration, Human Resource Management, Audit, Strategic Management, Communications and Natural Resources.

RESOURCES

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

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

Health Prevention Services, Noxious Insects, Health Services, General Inspectors (Dog & Cat Management, Impounding Livestock, Parking), Fire Protection, Water Supply Scheme, Community Wastewater Management Schemes, Libraries (Goolwa and 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, Goolwa Visitor Information Centre and Strathalbyn Visitor Centre.

GROWTH

Signal Point Interpretive Centre, Cultural Services, Regional Art Centre, Tourism and Events, Oscar W, Wooden Boat Festival, Economic Development, Development Assessment (Planning & Building)

Notes to the Financial Statements

for the year ended 30 June 2021

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 0.3% and 0.45% (2020: 0.45%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & 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 .043% (2020: 0.28%). 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 & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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 & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy:

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 1.3% and 6.7% (2020: 2.2% and 6.7%).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	1,109	—	—	1,109	1,109
Receivables	3,962	70	56	4,088	4,090
Total Financial Assets	5,071	70	56	5,197	5,199
Financial Liabilities					
Payables	3,850	—	—	3,850	3,852
Current Borrowings	875	—	—	875	334
Non-Current Borrowings	—	19,180	2,580	21,760	21,230
Total Financial Liabilities	4,725	19,180	2,580	26,485	25,416
2020					
Cash & Cash Equivalents	1,126	—	—	1,126	1,126
Receivables	4,080	129	—	4,209	3,791
Total Financial Assets	5,206	129	—	5,335	4,917
Financial Liabilities					
Payables	5,639	—	—	5,639	5,639
Current Borrowings	1,730	—	—	1,730	782
Non-Current Borrowings	—	13,415	13,860	27,275	22,466
Leases	122	—	—	122	121
Total Financial Liabilities	7,491	13,415	13,860	34,766	29,008

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	2.05%	11,230	2.20%	5,141
Fixed Interest Rates	5.93%	10,334	4.68%	18,228
		21,564		23,369

Net Fair Value

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 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 2021 Council had access to Cash Advance Debentures (CADs), with the following limits and End Dates:

Loan Number	Limit	End Date
CAD 54	\$440,000	9/02/2023
CAD 67	\$5,000,000	16/07/2022
CAD 68	\$3,000,000	16/07/2022
CAD 70	\$12,000,000	28/05/2025
CAD 71	\$5,000,000	15/08/2021
CAD 74	\$1,200,000	16/04/2022
CAD 77	\$7,000,000	15/03/2028

CADs are at call loans approved by Council that operate in a similar fashion to an Overdraw facility. CADs that at 30 June 2021 had been converted to a fixed term loan are not listed above.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2021	2020
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(a) Capital Commitments

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

Infrastructure	–	903
Plant & Equipment	220	557
	220	1,460

These expenditures are payable:

Not later than one year	220	1,460
	220	1,460

(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	36	55
Waste Management	7,611	7,611
Other Expenditure	2,056	3,197
	9,703	10,863

These expenditures are payable:

Not later than one year	4,036	5,130
Later than one year and not later than 5 years	5,667	5,733
	9,703	10,863

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Financial Indicators

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020	Indicators 2019
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	306	0.6%	0.9%	2.5%
Total Operating Income	51,716			
This ratio expresses the operating surplus as a percentage of total operating revenue.				
2. Net Financial Liabilities Ratio				
Net Financial Liabilities	27,116	52%	64%	74%
Total Operating Income	51,716			
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjustments to Ratios				
In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.				
Adjusted Operating Surplus Ratio				
Operating Surplus	166	0.3%	1.3%	1.1%
Total Operating Income	51,576			
Adjusted Net Financial Liabilities Ratio				
Net Financial Liabilities	27,116	53%	66%	78%
Total Operating Income	51,576			
3. Asset Renewal Funding Ratio				
Net Asset Renewals	4,792	68%	46%	72%
Infrastructure & Asset Management Plan required expenditure	7,088			
Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.				

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Uniform Presentation of Finances

\$ '000	2021	2020
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	51,716	48,738
less Expenses	(51,410)	(48,293)
Operating Surplus / (Deficit)	306	445
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,199)	(3,206)
add back Depreciation, Amortisation and Impairment	12,082	12,092
add back Proceeds from Sale of Replaced Assets	407	107
	7,290	8,993
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(9,778)	(6,200)
add back Amounts Received Specifically for New and Upgraded Assets	1,408	2,707
	(8,370)	(3,493)
Net Lending / (Borrowing) for Financial Year	(774)	5,945

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Photocopiers

A four year term lease for twenty photocopiers with equal monthly payments, not subject to CPI increase renewal options, lease increases such as CPI, residual value etc.

Community Hub

A five year term property lease with equal monthly payments, subject to annual CPI increase renewal options, lease increases such as CPI, residual value etc.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

\$ '000	Photocopiers	Community Hub	Total
2021			
Opening balance	62	59	121
Depreciation charge	(62)	(59)	(121)
Balance at 30 June	—	—	—
2020			
Opening balance	98	114	212
Depreciation charge	(36)	(55)	(91)
Balance at 30 June	62	59	121

(b) Lease liabilities

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

\$ '000	2021	2020
Balance at 1 July	121	—
Additions	—	212
Payments	—	(91)
Other - recognition for exemption	(121)	—
Balance at 30 June	—	121
Classified as:		
Current	—	121
Depreciation expense of Right-of-Use Assets	—	91
Total amount recognised in profit or loss	—	91

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases (continued)

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). 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 2019/20) 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2021	2020	2021	2020
Council's Share of Net Income				
Joint Ventures	(3,642)	(308)	6,593	10,235
Total Council's Share of Net Income	(3,642)	(308)	6,593	10,235

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2021	2020
Adelaide Hills Regional Waste Management Authority	Waste Management	275	111
Fleurieu Regional Aquatic Centre Authority	Aquatic Centre	9,459	9,818
Fleurieu Regional Waste Authority	Waste Management	(3,141)	306
Total Carrying Amounts - Joint Ventures & Associates		6,593	10,235

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.

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 the Board estimate that the majority of the remediation costs will be incurred, and remediation works completed, within the next 12 months.

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 2020/21 is deemed to be immaterial in amount and has not been recognised. This will be reviewed annually.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. Interests in Other Entities (continued)

(b) Relevant Interests

	Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020
Adelaide Hills Regional Waste Management Authority	9.00%	9.00%	25.00%	25.00%
Fleurieu Regional Aquatic Centre Authority	50.00%	50.00%	50.00%	50.00%
Fleurieu Regional Waste Authority	35.00%	35.00%	22.00%	22.00%
Southern and Hills Local Government Association	14.00%	14.00%	14.00%	14.00%

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Adelaide Hills Regional Waste Management Authority		Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority		Southern and Hills Local Government Associations	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening Balance	111	99	9,818	10,150	306	274	—	—
Share in Operating Result	164	12	(359)	(353)	(3,447)	32	—	—
Share in Other Comprehensive Income	—	—	—	21	—	—	—	—
Council's Equity Share in the Joint Venture or Associate	275	111	9,459	9,818	(3,141)	306	—	—

(d) Transactions with Council

\$ '000	2021	2020
Aggregate amount of transactions with Council		
- payments to Council	292	302
- receipts from Council	3,499	3,282
Aggregate amount owed to/owed by with Council		
- payments to Council	32	29
- receipts from Council	289	27

(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	378	442
Add Port Elliot Caravan Park Lease (55%)	123	91
Interest	1	3
Less Reimbursed Expenditure	140	158
Add Outstanding Withdrawal	17	67
Closing LGFA Balance	379	445

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

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

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, 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 deductible "insurance excesses", the amount of which varies according to the class of insurance.

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to **\$120,000** (2020: **\$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 against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council is aware of the following "non adjusting events" that merit disclosure;

- Council has increased the equity holding of the Fleurieu Regional Waste Authority from 35% to 48% in August 2021, the relevant liability would increase by \$1.28m in 2021/2022 with the increase holdings.

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 19 persons were paid the following total compensation.

\$ '000	2021	2020
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	1,502	1,461
Post-Employment Benefits	123	131
Termination Benefits	–	26
Total	1,625	1,618

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

A Key Management Personnel is on the board of a community group from which landscaping works were procured as required on 30 day account. Total purchases amounting to \$6,485 were made during 2020-21 (\$17,653 were made during 2019-20). A balance of \$ 3,740 is outstanding at the end of year.

A Key Management Personnel owns a business from which various services were purchased as required on 7 day account. Total purchases amounting to \$14,881 were made during 2020-21 (\$14,560 were made during 2019-20). There is no outstanding balance at the end of year.

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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 statement of financial position as at 30 June 2021, 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 accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the Australian 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.

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

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
Partner

4 November 2021

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Simon Smith CA, FCPA
David Sullivan CA, CPA
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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members 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 2020 to 30 June 2021 have been conducted properly and in accordance with 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 2020 to 30 June 2021.

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 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 2020 to 30 June 2021. 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 apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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 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 2020 to 30 June 2021. 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
Partner

4/11/2021

Alexandrina Council

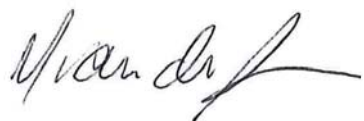
General Purpose Financial Statements

for the year ended 30 June 2021

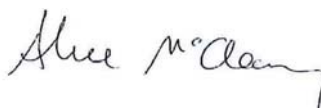
Certification of Auditor Independence

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 2021, 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.



Mark van der Pennen
Acting Chief Executive Officer



Alice McCleary
Presiding Member, Audit Committee

Date: 1 November 2021

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
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ALEXANDRINA COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Statement by Auditor

I confirm that, for the audit of the financial statements of Alexandrina Council for the year ended 30 June 2021, 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

Partner

4/11/2021