

District Council of Yankalilla

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



General Purpose Financial Statements

for the year ended 30 June 2024

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General Purpose Financial Statements
for the year ended 30 June 2024

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Nathan Cunningham
Chief Executive Officer

19 November 2024



Darryl Houston
Mayor

19 November 2024

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Income			
Rates	2a	13,923	12,825
Statutory charges	2b	245	367
User charges	2c	1,931	1,010
Grants, subsidies and contributions - operating	2g	770	1,544
Investment income	2d	47	56
Reimbursements	2e	155	91
Other income	2f	195	149
Total income		17,266	16,042
Expenses			
Employee costs	3a	7,499	6,560
Materials, contracts and other expenses	3b	7,159	7,520
Depreciation, amortisation and impairment	3c	4,215	3,805
Finance costs	3d	857	647
Net loss - equity accounted council businesses	19(a)	205	47
Total expenses		19,935	18,579
Operating surplus / (deficit)		(2,669)	(2,537)
Physical resources received free of charge	2h	—	10
Asset disposal and fair value adjustments	4	(795)	(347)
Amounts received specifically for new or upgraded assets	2g	679	5,516
Net surplus / (deficit)		(2,785)	2,642
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9	7,582	12,602
Total amounts which will not be reclassified subsequently to operating result		7,582	12,602
Total other comprehensive income		7,582	12,602
Total comprehensive income		4,797	15,244

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

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	89	165
Trade and other receivables	5b	1,839	2,138
Inventories		1	–
Total current assets		1,929	2,303
Non-current assets			
Trade and other receivables	6a	31	44
Other non-current assets	6b	201	–
Infrastructure, property, plant and equipment	7	140,709	132,809
Total non-current assets		140,941	132,853
TOTAL ASSETS		142,870	135,156
LIABILITIES			
Current liabilities			
Trade and other payables	8a	2,438	1,686
Borrowings	8b	860	2,523
Provisions	8c	1,178	1,136
Total current liabilities		4,476	5,345
Non-current liabilities			
Borrowings	8b	14,090	10,552
Provisions	8c	166	123
Liability - equity accounted council businesses	8d	1,090	885
Total non-current liabilities		15,346	11,560
TOTAL LIABILITIES		19,822	16,905
Net assets		123,048	118,251
EQUITY			
Accumulated surplus		28,736	31,521
Asset revaluation reserves	9	94,312	86,730
Total council equity		123,048	118,251
Total equity		123,048	118,251

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 2024

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Total equity
2024				
Balance at the end of previous reporting period		31,521	86,730	118,251
Net surplus / (deficit) for year		(2,785)	—	(2,785)
Other comprehensive income				
- Gain (Loss) on Revaluation of I,PP&E	7a	—	7,582	7,582
Transfer to accumulated surplus on sale of I,PP&E	9	—	—	—
Share of OCI - equity accounted council businesses		—	—	—
Other equity adjustments - equity accounted council businesses	19	—	—	—
Other comprehensive income		—	7,582	7,582
Total comprehensive income		(2,785)	7,582	4,797
Transfers between reserves		—	—	—
Balance at the end of period		28,736	94,312	123,048
2023				
Balance at the end of previous reporting period		28,879	74,128	103,007
Net surplus / (deficit) for year		2,642	—	2,642
Other comprehensive income				
- Gain (Loss) on Revaluation of I,PP&E	7a	—	12,602	12,602
Transfer to accumulated surplus on sale of I,PP&E	9	—	—	—
Share of OCI - equity accounted council businesses		—	—	—
Other equity adjustments - equity accounted council businesses	19	—	—	—
Other comprehensive income		—	12,602	12,602
Total comprehensive income		2,642	12,602	15,244
Transfers between reserves		—	—	—
Balance at the end of period		31,521	86,730	118,251

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 2024

\$ '000	Notes	2024	2023
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		14,070	12,834
Statutory charges		245	367
User charges		2,182	1,276
Grants, subsidies and contributions		1,724	1,365
Investment receipts		47	56
Reimbursements		155	91
Other receipts		1,030	342
<u>Payments</u>			
Payments to employees		(7,407)	(6,353)
Operating result from discontinued operations		–	12
Payments for materials, contracts and other expenses		(8,333)	(8,714)
Finance payments		(857)	(647)
Net cash provided by (or used in) operating activities	11b	<u>2,856</u>	<u>629</u>
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		679	4,431
Sale of replaced assets		137	122
Repayments of loans by community groups		43	12
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,297)	(3,300)
Expenditure on new/upgraded assets		(4,369)	(9,035)
Net cash provided (or used in) investing activities		<u>(4,807)</u>	<u>(7,770)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		4,397	6,065
<u>Payments</u>			
Repayments of borrowings		(2,522)	(907)
Repayment of lease liabilities		–	(33)
Net cash provided by (or used in) financing activities		<u>1,875</u>	<u>5,125</u>
Net increase (decrease) in cash held		(76)	(2,016)
plus: cash & cash equivalents at beginning of period		165	2,181
<u>Cash and cash equivalents held at end of period</u>	11a	<u>89</u>	<u>165</u>

Additional information:

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Note 1. Summary of Material Accounting Policies

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

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

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 19 November 2024.

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.

1.3 Rounding

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

(2) The local government reporting entity

District Council of Yankalilla is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 1 Charles Street, Yankalilla. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

(3) Income recognition

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

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

In other cases, AASB 1058 applies when Council 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:

	Cash Payment Received	Annual Allocation	Difference	Net timing Adjustments
2021/22	\$506,750	\$461,812	+ \$44,938	+ \$99,375
2022/23	\$690,528	\$503,881	+ \$186,647	+ \$231,585

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

2023/24	\$116,958	\$537,152	- \$420,194	- \$233,547
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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 amount of the distortion for 2023/24 is \$233,547 (2022/23: \$231,585).

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

Construction contracts

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

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

(4) Cash, cash equivalents and other financial instruments

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

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

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

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

(5) Inventories

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

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

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

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

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

Note 1. Summary of Material Accounting Policies (continued)

No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent recognition

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

6.4 Depreciation of non-current assets

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

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

Major depreciation periods for each class of asset are listed 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.

Road Infrastructure	Useful Lives (years)
Spray Seal	18-22
Asphalt	25-65
Sheeted	13-57
Pavement Base	60-100
Pavement Sub-Base	180-400
Kerbing	70
Footpath - Concrete	50-100
Footpath - Pavers	50-100
Footpath - Asphalt	25-50
Footpath - Spray Seal	20-40
Footpath - Gravel	15
Bridges	80

Plant, Furniture & Equipment	Useful Lives (years)
Office Equipment and Furniture	3-10
Fleet and Plant Equipment	2-10

Building & Other Structures	Useful Lives (years)
Buildings - Masonry	50-100
Buildings - Other Constructions	20 - 40
Buildings - Water Supply Pumps & Meters	7-30

Stormwater	Useful Lives (years)
Stormwater - Pipes	80-100
Stormwater - Pits	80
Stormwater - Other	70

Recreation	Useful Lives (years)
Recreation Assets	15-80

Software	Useful Lives (years)
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Notes to and forming part of the Financial Statements for the year ended 30 June 2024

Note 1. Summary of Material Accounting Policies (continued)

Software as a Service

3-5

6.6 Borrowing costs

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

(7) Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 4.04% (2023, 4.07%)

Weighted avg. settlement period 3.11 years (2023, 3.80 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Leases

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

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

Note 1. Summary of Material Accounting Policies (continued)

10.1 Council as a lessee

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

i) Right-of-Use-Assets

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

Office Equipment	3 to 4 years
Software	3 years

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

ii) Lease Liabilities

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

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

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(11) 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.

(12) GST implications

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

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

(13) New accounting standards and UIG interpretations

New accounting standards, amendments to existing standards and UIG Interpretations

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

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

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

Note 1. Summary of Material Accounting Policies (continued)

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

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

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

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

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

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

Standards issued by the AASB not yet effective

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

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

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

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

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

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

(14) Comparative figures

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

Transport Infrastructure assets 2022-23 revaluation adjustment

When preparing the 2023-24 financial statements, council staff became aware of a difference in the Transport Infrastructure fair value opening balance. The issue was related to the work-in-progress opening balance for 2022-23 that was incorrectly included in the revaluation adjustment made in 2022-23.

For that reason, council staff has made an adjustment of \$867,817 to the 2022-23 Transport Infrastructure assets revaluation amount, which reduced the revaluation increment in 2022-23 from \$13.470M to \$12.602M.

The impact of this adjustment was a reduction in the 2022-23 total comprehensive income of \$867,817. Further adjustments were made to asset revaluation reserves (Equity), IPP&E (non-current asset), gain(loss) on revaluation (statement of changes in equity), transport infrastructure fair value opening balance in note 7, and appropriate prior year comparative figures in note 7 and note 9.

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

Note 1. Summary of Material Accounting Policies (continued)

(15) Disclaimer

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 2. Income

\$ '000	2024	2023
(a) Rates		
General rates		
General rates	13,479	12,540
Less: mandatory rebates	(47)	(49)
Less: discretionary rebates, remissions and write-offs	(124)	(117)
Total general rates	13,308	12,374
Other rates (including service charges)		
Regional Landscape Levy (formerly NRM Levy)	330	231
Wirrina Water Service	106	109
Total other rates (including service charges)	436	340
Other charges		
Penalties for late payment	126	96
Legal and other costs recovered	53	15
Total other charges	179	111
Total rates	13,923	12,825
(b) Statutory charges		
Development fees	137	166
Town planning fees	–	1
Health and septic tank inspection fees	34	42
Animal registration fees and fines	72	106
Parking Fines/Expiation Fees	(3)	50
Other licences, fees and fines	5	2
Total statutory charges	245	367
(c) User charges		
Cemetery/crematoria fees	11	7
Hall and equipment hire	2	–
Sundry	5	6
Caravan Park Hire Fees	1,859	941
Block Clearing Fees	(8)	7
Search Fees	28	21
CHSP Contributions	30	23
Water Consumption	4	5
Total user charges	1,931	1,010

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 2. Income (continued)

\$ '000	2024	2023
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	3	14
- Loans to community groups	3	3
Investment property rental income	41	39
Total investment income	47	56
(e) Reimbursements		
Workcover	30	14
Surf Club Building Outgoings	32	–
Other	93	77
Total reimbursements	155	91
(f) Other income		
Rebates received	28	19
Sundry	124	65
Visitor Information Centre	43	65
Total other income	195	149
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	679	5,516
Total amounts received for new or upgraded assets	679	5,516
Operating grants, subsidies and contributions		
Other Grants, Subsidies and Contributions		
- Untied - Financial Assistance Grant	117	691
- Roads to Recovery	163	163
- Home and Community Care Grant	208	209
- Library and Communications	17	32
- Sundry	265	449
Other grants, subsidies and contributions - operating		
Total other grants, subsidies and contributions - operating	770	1,544
The functions to which operating grants relate are shown in Note 12.		
Total grants, subsidies and contributions	1,449	7,060

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

Note 2. Income (continued)

\$ '000	2024	2023
(i) Sources of grants		
Commonwealth Government	696	3,031
State Government	730	4,001
Other	23	28
Total	1,449	7,060
 (h) Physical resources received free of charge		
Recreation	—	10
<u>Total physical resources received free of charge</u>	<u>—</u>	<u>10</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 3. Expenses

\$ '000	Notes	2024	2023
(a) Employee costs			
Salaries and wages		6,190	5,550
Employee leave expense		386	519
Superannuation	18	675	578
Workers' compensation insurance		273	170
Other employee related costs		172	145
Less: capitalised and distributed costs		(197)	(402)
Total operating employee costs		7,499	6,560
Total number of employees (full time equivalent at end of reporting period)		65	66
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		24	24
- Other auditors		9	9
Bad and doubtful debts		16	(3)
Elected members' expenses		156	161
Insurance		243	209
Operating lease rentals - non-cancellable leases	17		
- Minimum lease payments		12	2
Subtotal - prescribed expenses		460	402
(ii) Other materials, contracts and expenses			
Contractors		2,936	3,112
Maintenance		953	731
Legal expenses		267	207
Levies Paid to Government - Landscape Levy (formerly NRM Levy)		329	230
Levies - other		17	15
Parts, accessories and consumables		402	509
Sundry		97	606
Utilities		401	327
IT and Communications		623	696
Administration		201	215
Registrations, Subscriptions and Memberships		210	179
Hire Fees		344	284
Grants and Contributions		101	190
Vehicles		92	57
Visitor Information Centre		48	80
Wirrina Service Payments to SA Water		111	115
Less: capitalised and distributed Costs		(433)	(435)
Subtotal - Other material, contracts and expenses		6,699	7,118
Total materials, contracts and other expenses		7,159	7,520

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

Note 3. Expenses (continued)

\$ '000	2024	2023
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	489	396
Infrastructure		
- Bridges, footpaths, kerb and gutter	250	148
- Stormwater drainage	259	256
- Transport Infrastructure	2,396	2,369
Right-of-use assets	–	24
Plant and equipment	255	219
Furniture and fittings	158	116
Recreation	269	179
Fleet Plant	139	98
Intangible Assets - Software Amortisation	–	–
Subtotal	4,215	3,805
Total depreciation, amortisation and impairment	4,215	3,805

(d) Finance costs

Interest on loans	857	645
Interest on Leases	–	2
Total finance costs	857	647

Note 4. Asset disposal and fair value adjustments

\$ '000	2024	2023
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	137	125
Less: carrying amount of assets sold	(932)	(436)
Gain (loss) on disposal	(795)	(311)
(ii) Assets surplus to requirements		
Less: carrying amount of assets sold	–	(36)
Gain (loss) on disposal	–	(36)
Net gain (loss) on disposal or revaluation of assets	(795)	(347)

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

Note 5. Current assets

\$ '000	2024	2023
(a) Cash and cash equivalent assets		
Cash on hand and at bank	89	165
<u>Total cash and cash equivalent assets</u>	<u>89</u>	<u>165</u>

(b) Trade and other receivables

Rates - general and other	1,120	1,283
Council rates postponement scheme	22	6
Debtors - general	342	695
GST recoupment	72	64
Prepayments	288	47
Loans to community organisations	13	43
Debtors - Wirrina Water Consumption	4	6
Subtotal	1,861	2,144
Less: provision for expected credit losses	(22)	(6)
<u>Total trade and other receivables</u>	<u>1,839</u>	<u>2,138</u>

Note 6. Non-current assets

\$ '000	2024	2023
(a) Trade and other receivables		
Loans to community organisations	31	44
<u>Total financial assets</u>	<u>31</u>	<u>44</u>

(b) Other non-current assets

Other

Intangible Assets - Software	201	—
Intangible Assets - Software Accumulated Amortisation	—	—
Total other	201	—
<u>Total other non-current assets</u>	<u>201</u>	<u>—</u>

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

Note 7. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

		as at 30/06/23				Asset movements during the reporting period										as at 30/06/24			
		Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Assets Newly Recognised	Revaluation Increment to Equity (ARR) (Note 9)		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
\$ '000																			
Capital work in progress			–	1,831	–	1,831	–	–	–	–	(1,749)	–	–	–		–	82	–	82
Land - other	3		11,995	654	–	12,649	–	–	–	–	–	–	–	4,254		16,903	–	–	16,903
Buildings and other structures	3		14,841	9,179	(5,653)	18,367	2,911	–	(711)	(489)	1,155	–	–	–		13,375	13,245	(5,387)	21,233
Infrastructure																			
- Bridges	3		11,697	998	(8,040)	4,655	–	14	–	(250)	–	(75)	–	2,648		20,006	14	(13,028)	6,992
- Stormwater drainage	3		21,520	912	(5,677)	16,755	107	–	–	(259)	–	75	–	–		22,773	108	(6,203)	16,678
- Transport Infrastructure	3		108,661	2,328	(40,032)	70,957	464	504	(167)	(2,396)	116	–	–	–		107,873	3,409	(41,804)	69,478
Right-of-use assets			–	87	(87)	–	–	–	–	–	–	–	–	–		–	–	–	–
Plant and equipment			–	4,301	(2,295)	2,006	180	326	–	(255)	–	–	–	–		–	4,789	(2,532)	2,257
Furniture and fittings			–	2,378	(1,594)	784	–	108	–	(158)	–	–	–	–		–	2,486	(1,752)	734
Recreation	3		4,638	2,254	(2,724)	4,168	506	28	–	(269)	478	–	–	680		8,243	1,012	(3,664)	5,591
Fleet Plant			–	1,071	(434)	637	–	317	(54)	(139)	–	–	–	–		–	1,139	(378)	761
Total infrastructure, property, plant and equipment			173,352	25,993	(66,536)	132,809	4,168	1,297	(932)	(4,215)	–	–	–	7,582		189,173	26,284	(74,748)	140,709
Comparatives			144,421	27,515	(59,800)	112,136	9,034	3,306	(474)	(3,805)	–	–	10	12,602		173,352	25,993	(66,536)	132,809

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

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

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

Valuation of assets

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

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

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

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

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

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

Information on valuations

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

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions 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.

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

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

Transition to AASB 13 - Fair Value Measurement

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

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliable to qualify for recognition, land under roads has not been recognised in these 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.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land, including bulk earthworks with an assessed unlimited useful life, was valued at the current replacement cost as at 30 June 2024 using Valuer General Assessment. Additions are recognised at cost.

Buildings

Buildings were valued by APV Valuers & Asset Management at written down current replacement cost during the reporting period commencing 1 July 2020 and pursuant to Council's election, are disclosed at fair value.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Recreation

Recreation was valued by Tonkin Consulting Pty Ltd at written down current replacement cost during the reporting period commencing 1 July 2023.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Infrastructure - Bridges

Bridges assets were valued by Tonkin Consulting Pty Ltd at written down current replacement cost during the reporting period commencing 1 July 2023. Pursuant to Council's election Bridges Assets are disclosed at fair value.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Infrastructure - Transport

Transportation Assets include roads. Road assets were valued by Tonkin Consulting Pty Ltd at written down current replacement cost during the reporting period commencing 1 July 2022. Pursuant to Council's election Transport Assets are disclosed at fair value.

All acquisitions made after the respective dates of valuation will be recorded at cost.

Infrastructure - Stormwater

Stormwater drainage infrastructure was valued by Tonkin Consulting at written down current replacement cost during the reporting period commencing 1 July 2021 and pursuant to Council's election are disclosed at fair value.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

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

Note 8. Liabilities

\$ '000	2024 Current	2024 Non Current	2023 Current	2023 Non Current
(a) Trade and other payables				
Goods and services	795	—	561	—
Payments received in advance	1,296	—	802	—
Accrued expenses - employee entitlements	132	—	125	—
Accrued expenses - other	215	—	197	—
Other	—	—	1	—
Total trade and other payables	2,438	—	1,686	—

(b) Borrowings

Short term draw down facility	—	11,263	1,562	6,865
Loans	860	2,827	961	3,687
Total Borrowings	860	14,090	2,523	10,552

(c) Provisions

Employee entitlements (including oncosts)	1,178	166	1,136	123
Total provisions	1,178	166	1,136	123

\$ '000	Notes	2024 Current	2024 Non Current	2023 Current	2023 Non Current
(d) Liability accounted investments in Council businesses					
Fleurieu Regional Waste Authority	19	—	1,090	—	885
Total liability accounted investments in Council businesses		—	1,090	—	885

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

Note 9. Reserves

	as at 30/06/23				as at 30/06/24
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
Asset revaluation reserve					
Land - other	8,313	4,254	—	—	12,567
Buildings and other structures	4,172	—	—	—	4,172
Infrastructure					
- Bridges, footpaths, kerb and gutter	—	2,648	—	—	2,648
- Stormwater drainage	11,726	—	—	—	11,726
- Transport Infrastructure	60,424	—	—	—	60,424
Recreation	2,043	680	—	—	2,723
Other assets	52	—	—	—	52
Total other assets	52	—	—	—	52
Total asset revaluation reserve	86,730	7,582	—	—	94,312
Comparatives	74,128	12,602	—	—	86,730

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).

Note 10. Assets subject to restrictions

Council does not hold any assets subject to restrictions.

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

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2024	2023
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(a) Reconciliation of cash

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

Total cash and equivalent assets	5	89	165
Balances per Statement of Cash Flows		89	165

(b) Reconciliation of Operating Result

Net surplus/(deficit)		(2,785)	2,642
Non-cash items in income statements			
Depreciation, amortisation and impairment		4,215	3,805
Equity movements in equity accounted investments (increase)/decrease		205	59
Non-cash asset acquisitions		–	(10)
Grants for capital acquisitions treated as investing activity		(679)	(5,516)
Net (gain)/loss on disposals		795	347
		1,751	1,327
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		253	460
Change in allowances for under-recovery of receivables		16	–
Net (increase)/decrease in inventories		(1)	–
Net increase/(decrease) in trade and other payables		752	(1,331)
Net increase/(decrease) in unpaid employee benefits		85	–
Net increase/(decrease) in other provisions		–	173
Net cash provided by (or used in) operations		2,856	629

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	2h	–	10
Amounts recognised in income statement		–	10

Total non-cash financing and investing activities		–	10
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(d) Financing arrangements

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

Corporate credit cards	50	50
Cash advance facilities	1,150	3,635

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

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	OPERATING INCOME		OPERATING EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN OPERATING INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions/Activities										
Council Administration	13,129	12,909	6,299	4,540	6,830	8,369	32	342	12,932	11,421
Business Undertakings	2,065	1,118	1,618	2,083	447	(965)	–	–	10,708	24,459
Community Services	327	319	1,148	1,009	(821)	(690)	226	223	3,177	1,268
Culture	29	42	446	386	(417)	(344)	17	37	77	1,375
Economic Development	123	226	751	863	(628)	(637)	60	147	–	–
Environment	933	326	2,113	1,761	(1,180)	(1,435)	107	95	18,774	18,415
Plant Hire & Depot/Indirect	62	20	1,270	1,677	(1,208)	(1,657)	–	–	3,337	2,616
Recreation	66	169	749	801	(683)	(632)	66	167	5,981	4,812
Regulatory Services	265	385	1,112	1,066	(847)	(681)	4	5	–	–
Transport & Communication	267	528	4,429	4,393	(4,162)	(3,865)	258	528	87,884	70,790
Total Functions/Activities	17,266	16,042	19,935	18,579	(2,669)	(2,537)	770	1,544	142,870	135,156

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

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

Note 12(b). Components of functions

The activities relating to Council functions are as follows:

Business undertakings

Caravan Parks, Gravel Pits/Quarries, Private Works, Property Portfolio.

Community services

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Pest Control – Health, Immunisation, Preventive Health Services, Other Health Services, Community Support, Home Assistance Scheme, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Static Library Service, Museums and Art Galleries, and Other Cultural Services.

Economic development

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

Environment

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Outdoor and Other Recreation.

Regulatory services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Other Fire Protection, Parking Control, and Other Regulatory Services.

Transport

Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Plant hire and depot

Plant Hire and Depot Costs.

Council administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose and Separate Rates.

Governance

Audit & Assurance, Planning and Performance, Legal Services and Major Projects.

Equity accounted Council businesses

Net Gain equity accounting Council businesses

Net Loss equity accounting Council businesses

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

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 at call with rates varying throughout the year.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.7625% (2023: 0.7541%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting policy:

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

Terms and conditions:

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

Carrying amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting policy:

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

Terms and conditions:

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

Carrying amount:

Approximates fair value.

Liabilities - creditors and accruals

Accounting policy:

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

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

Note 13. Financial instruments (continued)

Terms and conditions:

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, fixed borrowings are repayable semi annually; interest is charged at fixed & variable rates between 4.30% and 6.80% (2023: 4.30% and 6.80%).

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting policy:

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 13. Financial instruments (continued)

\$ '000	Due in less than 1 year	Due between 1 year & 5 years	Due in more than 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2024					
Financial assets					
Cash and cash equivalents	89	—	—	89	89
Receivables	1,532	—	—	1,532	1,532
Other financial assets	15	33	—	48	44
Total financial assets	1,636	33	—	1,669	1,665
Financial liabilities					
Payables	1,010	—	—	1,010	1,010
Current borrowings	1,046	—	—	1,046	860
Non-current borrowings	—	13,413	1,141	14,554	14,090
Lease liabilities	—	—	—	—	—
Total financial liabilities	2,056	13,413	1,141	16,610	15,960
Total financial assets and liabilities	3,692	13,446	1,141	18,279	17,625
2023					
Financial assets					
Cash and cash equivalents	166	—	—	166	165
Receivables	2,093	—	—	2,093	2,091
Other financial assets	—	40	8	48	44
Total financial assets	2,259	40	8	2,307	2,300
Financial liabilities					
Payables	758	—	—	758	758
Current borrowings	2,758	—	—	2,758	2,523
Non-current borrowings	—	9,676	1,521	11,197	10,552
Lease liabilities	—	—	—	—	—
Total financial liabilities	3,516	9,676	1,521	14,713	13,833
Total financial assets and liabilities	5,775	9,716	1,529	17,020	16,133

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

\$ '000	2024		2023	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	6.01%	11,262	5.73%	8,427
Fixed interest rates	5.23%	3,688	5.35%	4,648
		14,950		13,075

Net fair value

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

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

Note 13. Financial instruments (continued)

Risk exposures

Credit Risk represents the loss that would be recognised if counter parties 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.

Expected credit losses (ECL)

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

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

Note 14. Capital expenditure and investment property commitments

\$ '000	2024	2023
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Infrastructure	23	3,126
Plant and equipment	107	–
	130	3,126
These expenditures are payable:		
Not later than one year	130	3,126
	130	3,126

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

Note 15. Financial indicators

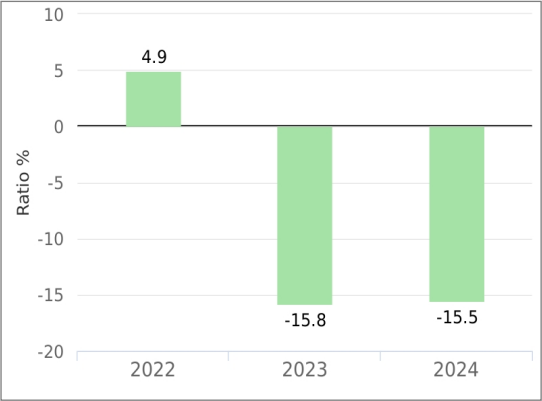
	Indicator 2024	Indicators 2023	Indicators 2022
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating surplus			
Total operating income	(15.5)%	(15.8)%	4.9%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	97%	85%	53%
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjustments to Ratios			
<i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i>			
Adjusted Operating Surplus Ratio			
Operating surplus			
Total operating income	(12.6)%	(17.0)%	4.9%
Adjusted Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	95%	89%	54%
3. Asset Renewal Funding Ratio			
Asset renewals			
Infrastructure and Asset Management Plan required expenditure	36%	59%	83%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

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

Note 15. Financial indicators (continued)

Financial indicators - graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

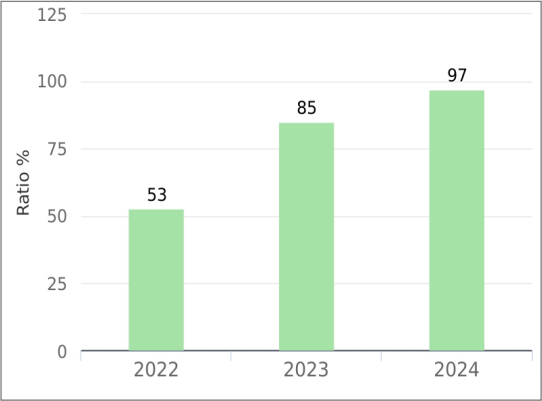
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2023/24 result

2023/24 ratio (15.5)%

Higher expenditure across depreciation (revaluations), employee costs and net loss on equity accounted Council business. Lower Caravan Park income than forecast and timing of Financial Assistance Grants.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

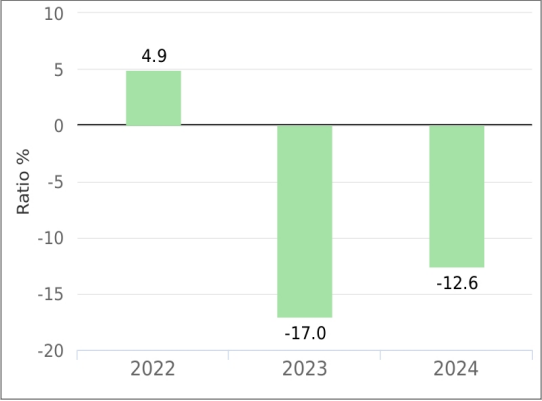
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2023/24 result

2023/24 ratio 97%

High levels of debt due to numerous major capital projects in recent years in addition to funding operating deficit.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

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

Commentary on 2023/24 result

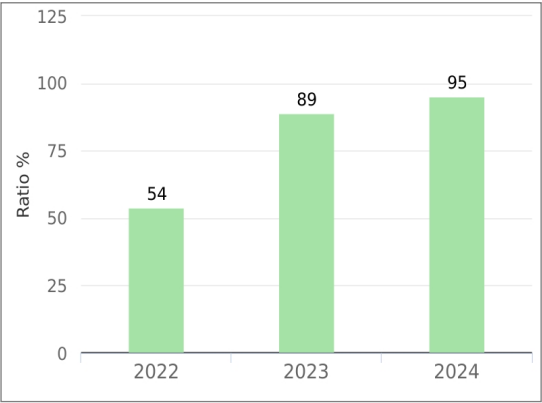
2023/24 ratio (12.6)%

The adjusted operating surplus ratio improvement vs the operating surplus ratio is due to the Financial Assistance Grants timing (approx 90% of 2023-24 grants received in 2022-23).

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

Note 15. Financial indicators (continued)

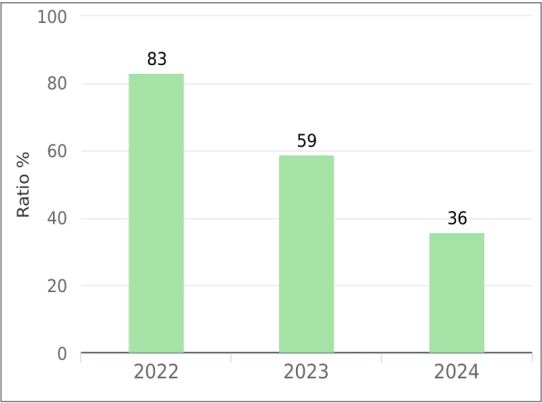
Adjusted Net Financial Liabilities Ratio



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

Commentary on 2023/24 result	
2023/24 ratio	95%
The adjusted net financial liabilities ratio improvement vs the net financial liabilities ratio is due to the Financial Assistance Grants timing (approx 90% of 2023-24 grants received in 2022-23).	

3. Asset Renewal Funding Ratio



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

Commentary on 2023/24 result	
2023/24 ratio	36%
Deferral of a number of capital renewal projects at the mid year budget review occurred to aid in restoring financial sustainability, totalling \$4M.	

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 16. Uniform presentation of finances

\$ '000	2024	2023
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	13,923	12,825
Statutory charges	245	367
User charges	1,931	1,010
Grants, subsidies and contributions - operating	770	1,544
Investment income	47	56
Reimbursements	155	91
Other income	195	149
Total Income	17,266	16,042
<u>Expenses</u>		
Employee costs	7,499	6,560
Materials, contracts and other expenses	7,159	7,520
Depreciation, amortisation and impairment	4,215	3,805
Finance costs	857	647
Net loss - equity accounted council businesses	205	47
Total Expenses	19,935	18,579
Operating surplus / (deficit)	(2,669)	(2,537)
Adjusted Operating surplus / (deficit)	(2,669)	(2,537)
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(1,297)	(3,300)
Add back depreciation, amortisation and impairment	4,215	3,805
Add back proceeds from sale of replaced assets	137	122
	3,055	627
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(4,369)	(9,035)
Add back amounts received specifically for new and upgraded assets	679	4,431
	(3,690)	(4,604)
Annual net impact to financing activities (surplus/(deficit))	(3,304)	(6,514)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Office Equipment

Office Equipment leases accounted for as Right-of use assets include server rental for 3 years and photocopier rental for 4 years.

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	Office Equipment	Software	Total
2024			
Opening balance	—	—	—
Balance at 30 June	—	—	—
2023			
Opening balance	6	18	24
Depreciation charge	(6)	(18)	(24)
Balance at 30 June	—	—	—

(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	2024	2023
Balance at 1 July	—	33
Accretion of interest	—	2
Payments	—	(35)
Balance at 30 June	—	—
Classified as:		
Current	—	—
Non-current	—	—

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

The Group had total cash outflows for leases of \$0.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 17. Leases (continued)

\$ '000	2024	2023
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	–	23
Interest expense on lease liabilities	–	2
Expense relating to short term leases	–	11
Expense relating to leases of low-value assets	–	–
Total amount recognised in profit or loss	–	36

(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.

Investment property

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

\$ '000	2024	2023
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	35	32
Later than one year and not later than 5 years	258	46
Later than 5 years	265	–
	558	78

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

Note 18. Superannuation

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

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (11.00% in 2023/24; 10.50% in 2022/23). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2022/23) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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	
	2024	2023	2024	2023
Joint Ventures - (Losses)	(205)	(47)	(1,090)	(885)
Council's share of net income				
Joint ventures	(205)	(47)	(1,090)	(885)
Total Council's share of net income	(205)	(47)	(1,090)	(885)

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

(a) Carrying amounts

\$ '000	Principal Activity	2024	2023
Fleurieu Regional Waste Authority	An authority formed by the member councils of the Fleurieu Peninsula in South Australia in order to manage their waste and recycling.	(1,090)	(885)
Total carrying amounts - joint ventures and associates		(1,090)	(885)

Fleurieu Regional Waste Authority

In conjunction with District Council of Yankalilla, other Constituent Councils are Alexandrina Council, Kangaroo Island Council and City of Victor Harbor.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2024	2023	2024	2023	2024	2023
Fleurieu Regional Waste Authority	10.00%	10.00%	10.00%	10.00%	25.00%	25.00%

(c) Movement in investment in joint venture or associate

\$ '000	Fleurieu Regional Waste Authority	
	2024	2023
Opening Balance	(885)	(838)
Share in Operating Result	(205)	(47)
Council's equity share in the joint venture or associate	(1,090)	(885)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

Note 19. Interests in other entities (continued)

(d) Summarised financial information of the equity accounted business

\$ '000	Fleurieu Regional Waste Authority	
	2024	2023
Statement of Financial Position		
Cash and Cash Equivalents	801	1,378
Other Current Assets	316	223
Non-Current Assets	6,598	4,268
Total assets	7,715	5,869
Current Trade and Other Payables	1,638	2,628
Current Financial Liabilities	648	1,339
Current Provisions	4,677	3,494
Non-Current Financial Liabilities	11,600	7,220
Non-Current Provisions	47	37
Total liabilities	18,610	14,718
Net Assets	(10,895)	(8,849)
Statement of Comprehensive Income		
Other Income	4,085	3,306
Contributions from Constituent Councils	8,949	7,798
Interest Income	1	2
Total income	13,035	11,106
Employee Costs	4,107	3,542
Materials, Contracts & Other Expenses	9,379	6,813
Depreciation, Amortisation and Impairment	1,020	889
Finance Costs	588	320
Total expenses	15,094	11,564
Operating Result	(2,059)	(458)

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

Note 20. Contingencies and assets/liabilities not recognised in the balance sheet

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

1. Land under roads

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

At reporting date, Council controlled 1,026 km of road reserves of average width 19 metres.

2. Potential insurance losses

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

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

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

3. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no outstanding appeals against planning decisions made prior to reporting date.

At the reporting date, the Council had one legal claim against it that was resolved in September 2024. There was no significant cost to the Council due to resolving this claim apart from minor general legal fees as part of the process.

Note 21. Events after the balance sheet date

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

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

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

Note 22. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999 . In all, 13 persons were paid the following total compensation:

\$ '000	2024	2023
The compensation paid to key management personnel comprises:		
Short-term employee benefits	863	819
Post-employment benefits	78	64
Total	941	883

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

A Key Management Personnel is a member of a community group from which various services were purchased during 2023/24, amounting to \$100.00 (2022/23 \$260.00).

A Key Management Personnel is a member of a community group to which a community grant was paid during 2023/24, amounting to \$1,100.00 (2022/23 Nil).



Mount Gambier

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

Stirling

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

Norwood

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

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Independent Auditor's Report – Financial Statements

To the members of District Council of Yankalilla

Opinion

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

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 20 (3) of the financial report which describes the existence of a legal claim against the Council that may be of a material nature. The potential financial impact cannot be reliably determined as at reporting date.

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
Director

25 November 2024



Independent Auditor's Report - Internal Controls

To the members of District Council of Yankalilla

Opinion

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

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

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2023 to 30 June 2024. ASAE 3000 also requires us to comply with the relevant ethical requirements 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.

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Auditor's responsibility

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

Limitations of controls

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

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

Limitation of use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS


Tim Muhlhausler CA, Registered Company Auditor
Director

25 November 2024

General Purpose Financial Statements
for the year ended 30 June 2024

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Yankalilla for the year ended 30 June 2024, the Council's Auditor, Galpins 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*.



Nathan Cunningham
Chief Executive Officer



Christine Hahn
Audit & Risk Committee Chair

Date: 19 November 2024



DISTRICT COUNCIL OF YANKALILLA

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2024

Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Yankalilla for the year ended 30 June 2024, I have maintained my independence 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), 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

A handwritten signature in blue ink, appearing to read 'T. Muhlhausler'.

Tim Muhlhausler CA, Registered Company Auditor

Director

25 November 2024

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