



District Council of
ORROROO
CARRIETON

**General Purpose Financial Reports
for the year ended 30 June 2024**

District Council of Orroroo Carrieton
General Purpose Financial Reports
for the year ended 30 June 2024

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District Council of Orroroo Carrieton
Annual 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.


.....
PAUL SIMPSON
CHIEF EXECUTIVE OFFICER


.....
GRANT CHAPMAN
MAYOR/COUNCILLOR

Date: 27th November 2024

District Council of Orroroo Carrieton
Statement of Comprehensive Income
for the year ended 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
INCOME			
Rates	2	1,502	1,378
Statutory charges	2	25	27
User charges	2	147	111
Grants, subsidies and contributions - Capital	2	652	126
Grants, subsidies and contributions - Operating	2	443	2,282
Investment income	2	56	32
Reimbursements	2	72	71
Other income	2	119	105
Total Income		3,016	4,132
EXPENSES			
Employee costs	3	1,236	1,128
Materials, contracts & other expenses	3	1,626	1,853
Depreciation, amortisation & impairment	3	1,468	1,364
Finance costs	3	6	5
Total Expenses		4,336	4,350
OPERATING SURPLUS / (DEFICIT)		(1,320)	(218)
Asset disposal & fair value adjustments	4	3	193
Amounts received specifically for new or upgraded assets	2	293	62
Physical resources received free of charge	2	-	14
NET SURPLUS / (DEFICIT) transferred to Equity Statement		(1,024)	51
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	10,942	-
Total Other Comprehensive Income		10,942	-
TOTAL COMPREHENSIVE INCOME		9,918	51
This Statement is to be read in conjunction with the attached Notes.			
Operating Surplus / Deficit		(1,320)	(218)
Financial Assistance Grants Timing Variance		1,417	(527)
Grants, subsidies and contributions - Capital		(652)	(126)
UNDERLYING RESULT		(555)	(871)

District Council of Orroroo Carrieton
Statement of Financial Position
as at 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	439	1,963
Trade & other receivables	5	264	100
Inventories	5	275	386
Total Current Assets		978	2,448
Non-current Assets			
Financial assets	6	84	33
Infrastructure, property, plant & equipment	7	45,100	35,144
Other non-current assets	6	1,384	-
Total Non-current Assets		46,568	35,177
Total Assets		47,546	37,625
LIABILITIES			
Current Liabilities			
Trade & other payables	8	238	249
Borrowings	8	20	25
Provisions	8	254	235
Total Current Liabilities		512	509
Non-current Liabilities			
Provisions	8	16	16
Total Non-current Liabilities		16	16
Total Liabilities		528	525
NET ASSETS		47,018	37,100
EQUITY	Notes		
Accumulated surplus		9,808	10,829
Asset revaluation reserves	9	37,159	26,217
Other reserves	9	51	54
TOTAL EQUITY		47,018	37,100

This Statement is to be read in conjunction with the attached Notes.

District Council of Orroroo Carrieton

Statement of Changes in Equity

for the year ended 30 June 2024

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
	Notes	\$'000	\$'000	\$'000	\$'000
2024					
Balance at end of previous reporting period		10,829	26,217	54	37,100
Net Surplus / (Deficit) for Year		(1,024)	-	-	(1,024)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	10,942	-	10,942
Transfers between reserves		3	-	(3)	-
Balance at end of period	9	<u>9,808</u>	<u>37,159</u>	<u>51</u>	<u>47,018</u>

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
	Notes	\$'000	\$'000	\$'000	\$'000
2023					
Balance at end of previous reporting period		10,816	26,217	16	37,049
Net Surplus / (Deficit) for Year		51			51
Other Comprehensive Income					
Transfers between reserves		(38)	-	38	-
Balance at end of period	9	<u>10,829</u>	<u>26,217</u>	<u>54</u>	<u>37,100</u>

This Statement is to be read in conjunction with the attached Notes

District Council of Orroroo Carrieton
Statement of Cash Flows
for the year ended 30 June 2024

		2024	2023
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Rates - general & other		1,481	1,433
Fees & other charges		25	27
User charges		147	107
Investment receipts		55	32
Grants utilised for operating purposes		360	2,433
Reimbursements		67	206
Other revenues		378	462
<i>Payments:</i>			
Employee costs		(1,215)	(1,109)
Materials, contracts & other expenses		(1,836)	(1,739)
Finance payments		(9)	(3)
Net Cash provided by (or used in) Operating Activities		<u>(547)</u>	<u>1,849</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		293	62
Grants utilised for capital purposes		652	-
Sale of replaced assets		-	190
Sale of surplus assets		6	58
Repayments of loans by community groups		33	-
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(874)	(1,576)
Expenditure on new/upgraded assets		(995)	(1,338)
Loans made to community groups		(87)	-
Net Cash provided by (or used in) Investing Activities		<u>(972)</u>	<u>(2,604)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings		(5)	-
Repayment of aged care facility deposits		-	(88)
Net Cash provided by (or used in) Financing Activities		<u>(5)</u>	<u>(88)</u>
Net Increase (Decrease) in cash held		<u>(1,524)</u>	<u>(843)</u>
 Cash & cash equivalents at beginning of period	10	<u>1,963</u>	<u>2,806</u>
Cash & cash equivalents at end of period	10	<u>439</u>	<u>1,963</u>

This Statement is to be read in conjunction with the attached Notes

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

The principal accounting policies adopted in the preparation of the financial report 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 27 November 2024.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

The District Council of Orroroo Carrieton is incorporated under the SA Local Government Act 1999 and has its principal place of business at 17 Second Street, Orroroo SA 5431. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

3.1 Revenue

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 materially 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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

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 Difference
2021-22	1,633	1,243	+	390	
2022-23	1,841	1,314	+	527	917
2023-24	18	1,435	-	1,417	890

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 FY 24 is -\$1,417k (FY23: \$527k).

The Operating Surplus Ratio disclosed in Note 13 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

There have been minor changes to revenue categories, resulting in restatement of comparative amounts for 2022-2023 for 'Other Rates' and 'User Charges'. Total operating income for the prior year remains unchanged.

3.2 Construction Contract Revenue

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

4.1 Cash, Cash Equivalent Assets

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

4.2 Other Financial Instruments

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 also form part of Note 12.

5 Inventories

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024
Note 1 - Material Accounting Policies

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 in Note 7. 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. Material 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 shown in Note 7. 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.

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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024
Note 1 - Material Accounting Policies

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.

8 Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

9 Provisions

9.1 Employee Benefits

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 on costs) 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 on-costs) 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 average discount rate	0.4% (2023, 0.6%)
Weighted average settlement period	< 1 year (2023, 1.2 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.

Superannuation:

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

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.

Council as a lessee

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 Goods & Services Tax

In accordance with interpretation of 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.

12 New and amended standards and interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. 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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 2 - INCOME

	Notes	2024 \$'000	2023 \$'000
RATES REVENUES			
<u>General Rates</u>		1,237	1,141
Less: Mandatory rebates		(19)	(19)
Less: Discretionary rebates, remissions & write offs		(6)	(2)
		<u>1,212</u>	<u>1,120</u>
<u>Other Rates</u> (including service charges)			
Landscape levy		43	45
Waste collection		183	156
Community wastewater management systems		48	47
		<u>274</u>	<u>248</u>
<u>Other Charges</u>			
Penalties for late payment		11	7
Legal & other costs recovered		5	3
		<u>16</u>	<u>10</u>
		<u>1,502</u>	<u>1,378</u>
STATUTORY CHARGES			
Development Act fees		10	14
Animal registration fees & fines		10	9
Other licences, fees, & fines		5	4
		<u>25</u>	<u>27</u>
USER CHARGES			
Cemetery/crematoria fees		9	11
Swimming Pool fees		17	7
Stock Route		10	9
Facility Hire, Lease Rental charges		86	61
Water		7	7
Bus income		8	4
Waste disposal		4	4
Sundry User Charges		6	8
		<u>147</u>	<u>111</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 2 - INCOME (con't)

		2024	2023
	Notes	\$'000	\$'000
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		51	30
Banks & other		-	1
Loans to community groups		5	1
		<u>56</u>	<u>32</u>
REIMBURSEMENTS			
Private works		36	27
Joint undertakings		26	33
Other Reimbursements		10	11
		<u>72</u>	<u>71</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		28	76
Rebates received		28	13
Community events		22	7
Sundry Other Income		41	9
		<u>119</u>	<u>105</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
<i>Amounts received specifically for new or upgraded assets</i>		293	62
<i>Other grants, subsidies and contributions - Capital</i>			
Local Roads & Community Infrastructure		641	126
Sundry		11	-
<i>S/Tot Other grants, subsidies and contributions - Capital</i>		<u>652</u>	<u>126</u>
<i>Other grants, subsidies and contributions - Operating</i>			
Untied - Financial Assistance Grant		18	1,258
Roads - Financial Assistance Grant		-	659
Roads to Recovery		260	260
Heavy Vehicle Bypass		-	51
Ageing Well/ Library & Communications		-	38
Supplementary Roads		127	-
Sundry Grants		38	16
<i>S/Tot Other grants, subsidies and contributions - Operating</i>		<u>443</u>	<u>2,282</u>
Grants Included in Operating Surplus/(deficit)	11	<u>1,095</u>	<u>2,408</u>
Total Grants all sources		<u>1,388</u>	<u>2,470</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 2 - INCOME (con't)

		2024	2023
Sources of grants	Notes	\$'000	\$'000
Commonwealth government		901	495
State government		413	1,965
Other		74	10
		<u>1,388</u>	<u>2,470</u>
Individually Material Item			
Prepaid Financial Assistance Grants - untied		-	1,151
Prepaid Financial Assistance Grants - roads		-	335
Conditions over grants & contributions			
<i>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:</i>			
Unexpended at the close of the previous reporting period		44	412
Less: expended during the current period from revenues recognised in previous reporting periods:			
State Sport & Recreation Facilities		-	(77)
Special Local Roads		-	(153)
Local Roads & Community Infrastructure		-	(182)
CWMS Grant		(6)	-
Ageing Well Grant		(38)	-
Subtotal		<u>(44)</u>	<u>(412)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
CWMS Grant		-	6
Ageing Well Grant		-	38
Subtotal		<u>-</u>	<u>44</u>
Unexpended at the close of this reporting period		<u>-</u>	<u>44</u>
Net increase / (decrease) in assets subject to conditions in the current reporting period		<u>(44)</u>	<u>(368)</u>
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Land & Improvements		-	14
TOTAL PHYSICAL RESOURCES RECEIVED		<u>-</u>	<u>14</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 3 - EXPENSE

		2024	2023
	Notes	\$'000	\$'000
EMPLOYEE COSTS			
Salaries and Wages		1,047	891
Employee leave expense		135	115
Superannuation - defined contribution plan contributions	16	114	97
Superannuation - defined benefit plan contributions	16	7	10
Workers' Compensation Insurance		49	30
Other employment related costs		31	37
Less: Capitalised and distributed costs		(147)	(52)
Total Operating Employee Costs		1,236	1,128
Total Number of Employees		14	13
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		13	13
Bad and Doubtful Debts		12	(64)
Elected members' expenses		78	80
Election expenses		-	3
Lease Expenses - short term leases	15	13	11
Subtotal - Prescribed Expenses		116	43
<u>Other Materials, Contracts & Expenses</u>			
Contractors		557	377
Conferences / Seminars / Training		10	18
Donations / Contributions		21	10
Energy, Water, Sewerage & Gas		183	82
Insurance		151	135
Inventory gain / (loss) on stocktake		(10)	(249)
Legal Expenses		47	17
Levies paid to government - Landscape levy		43	45
Maintenance of Plant, Equipment and Roads		116	121
Minor Equipment		70	12
Publishing / Advertising		8	3
Membership Fees		48	38
Telephone		13	13
Vehicle Registration		16	16
Waste Levy		30	27
Waste Management Collection		123	119
Heavy Vehicle Bypass costs (prior period adjustment)		-	931
Other Expenses		84	95
Subtotal - Other Materials, Contracts & Expenses		1,510	1,810
		1,626	1,853

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 3 - EXPENSE con't

		2024	2023
	Notes	\$'000	\$'000
INDIVIDUALLY SIGNIFICANT ITEMS			
<i>Heavy Vehicle Bypass costs (prior period adjustment)</i>	7	-	930
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		282	289
Roads		923	786
Plant & Equipment		179	206
CWMS		30	31
Other Assets		54	52
		<u>1,468</u>	<u>1,364</u>
FINANCE COSTS			
Bank charges		4	4
Interest on Loans		2	1
		<u>6</u>	<u>5</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2024	2023
Notes	\$'000	\$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	-	190
Less: Carrying amount of assets sold	-	29
Gain (Loss) on disposal	-	161
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	6	58
Less: Carrying amount of assets sold	3	26
Gain (Loss) on disposal	3	32
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 3	 193

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 5 - CURRENT ASSETS

		2024	2023
	Notes	\$'000	\$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		246	92
Deposits at Call		193	1,871
		439	1,963
TRADE & OTHER RECEIVABLES			
Rates - General & Other		98	77
Accrued Revenues		120	-
Debtors - general		9	8
GST Recoupment		34	15
Loans to community organisations		3	-
		264	100
INVENTORIES			
Stores & Materials		275	386
		275	386

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 6 - NON-CURRENT ASSETS

		2024	2023
FINANCIAL ASSETS	Notes	\$'000	\$'000
Receivables			
Loans to community organisations		84	33
TOTAL FINANCIAL ASSETS		84	33
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		1,384	-
		1,384	-

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

		2023 \$'000				2024 \$'000			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	2	463	79	-	542	460	79	-	539
Land (held with CLMP)	3	948	1	-	949	948	1	-	949
Buildings & Other Structures	3	8,643	2,351	(4,734)	6,260	14,077	111	(7,762)	6,426
Roads	3	29,722	5,896	(12,075)	23,543	47,093	331	(13,881)	33,543
Plant & Equipment		-	3,257	(1,840)	1,417	-	3,256	(2,018)	1,238
CWMS	3	1,768	274	(118)	1,923	2,060	-	(154)	1,906
Other Assets		-	675	(164)	510	-	717	(218)	499
Total IPP&E		41,544	12,533	(18,931)	35,144	64,638	4,495	(24,033)	45,100
Comparatives		41,544	11,067	(18,046)	34,565	41,544	12,533	(18,931)	35,144

This Note continues on the following pages.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2023 \$'000	Carrying Amounts Movement During the Year \$'000						2024 \$'000
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Carrying Amount
		New / Upgrade	Renewals			In	Out	
Land	542	-	-	(3)	-	-	-	539
Land (held with CLMP)	949	-	-	-	-	-	-	949
Buildings & Other Structures	6,260	-	111	-	(282)	-	-	6,426
Roads	23,543	-	331	-	(923)	-	-	33,543
Plant & Equipment	1,417	-	-	-	(179)	-	-	1,238
CWMS	1,923	-	-	-	(30)	-	-	1,906
Other Assets	510	-	43	-	(54)	-	-	499
Total IPP&E	35,144	-	485	(3)	(1,468)	-	-	45,100
Comparatives	34,565	1,352	1,577	(56)	(1,364)	58	(988)	35,144

This note continues on the following pages.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

Accounting procedure: 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: For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

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

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

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

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Transfers between fair value hierarchy levels

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

During the course of the year, a parcel of land previously held for operational purposes was designated as community land under the Local Government Act 1993. The change in designation introduced a new, unobservable input, being the restrictive processes involved in the future disposal of the land and necessitated the transfer of its valuation from fair value hierarchy level 2 to level 3, and the adjustment of the valuation. The transfer took effect at the date of designation as community land.

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	1,000
Other Plant & Equipment	1,000
Buildings - new construction/extensions	10,000
Park & Playground Furniture & Equipment	2,000
Road construction & reconstruction	10,000
Paving & footpaths, Kerb & Gutter	2,000
Drains & Culverts	5,000
Reticulation extensions	5,000
Sidelines & household connections	5,000
Artworks	5,000

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment

Office Equipment & Furniture	5 to 10 years
Vehicles and Road-making Equipment	5 to 20 years
Other Plant & Equipment	5 to 15 years

Building & Other Structures 20 to 50 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 80 years
Unsealed Roads	10 to 80 years
Paving & Footpaths, Kerb & Gutter	40 to 100 years
Flood Control Structures	80 to 100 years
Community Wastewater Management Scheme assets	50 to 70 years

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Land & Land Improvements

Land (held within CLMP) relates to Land held within the Community Land Management Plan.

Council being of the opinion that it is not possible to attribute a value sufficiently reliably 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 improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 1 July 2019 at current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 January 2024 by Methuen Consulting Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

Infrastructure

Transportation assets were revalued as at 1 July 2023 by Tonkin Consulting Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure were revalued as at 1 July 2023 by Tonkin Consulting Pty Ltd. The revaluation was based on indexation with no reassessment of useful life. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 8 - LIABILITIES

		2024		2023	
		\$'000		\$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		191	-	74	-
Payments received in advance		-	-	14	-
Accrued expenses - employee entitlements		16	-	14	-
Accrued expenses - other		12	-	3	-
Deposits, Retentions & Bonds		-	-	128	-
Other Payables		19	0	16	0
		238	-	249	-
BORROWINGS					
Loans		20	-	25	-
		20	-	25	-

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

PROVISIONS

LSL Employee entitlements (including oncosts)	154	16	139	16
AL Employee entitlements (including oncosts)	100	-	96	-
	254	16	235	16

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

16

16

Movements in Provisions - 2024 year only
(current & non-current)

	<i>Insurance Losses</i>	<i>Future Reinstatement</i>	<i>Leave & Other Provision</i>
Opening Balance	-	-	251
Add Additional amounts recognised	-	-	108
(Less) Payments	-	-	(89)
Closing Balance	-	-	270

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2023	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2024
Notes	\$'000	\$'000	\$'000	\$'000
Land	783	-	-	783
Buildings & Other Structures	2,632	337	-	2,969
Roads	22,778	10,592	-	33,370
CWMS	24	13	-	37
TOTAL	26,217	10,942	-	37,159
Comparatives	26,217	-	-	26,217

OTHER RESERVES	1/7/2023	Transfers to Reserve	Transfers from Reserve	30/6/2024
CWMS	54	-	(3)	51
TOTAL OTHER RESERVES	54	-	(3)	51
Comparatives	16	38	-	54

PURPOSES OF RESERVES

Asset Revaluation Reserve

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).

Other Reserves

Community Wastewater Management Scheme (CWMS)

The CWMS reserve is used to record the net cost of operations for the CWMS in Orroroo, including capital improvement and replacement, major repairs and ongoing maintenance.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(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 Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2024 \$'000	2023 \$'000
Total cash & equivalent assets	5	439	1,963
Balances per Cash Flow Statement		439	1,963

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	(1,024)	51
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,468	1,364
Net increase (decrease) in unpaid employee benefits	21	19
Change in allowances for under-recovery	-	(47)
Non-cash asset acquisitions	-	(14)
Grants for capital acquisitions treated as Investing Activity	(945)	(62)
Net (Gain) Loss on Disposals	(3)	(193)
	(483)	1,118
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(162)	154
Net (increase) decrease in inventories	111	(218)
Net increase (decrease) in trade & other payables	(13)	(136)
Non-cash transfer of asset to SA State Government	-	930
Net Cash provided by (or used in) operations	(547)	1,848

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical resources received free of charge	2	-	14
		-	14

(d) Financing Arrangements

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

Corporate Credit Cards	7	7
LGFA Cash Advance Debenture facility	515	535

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 11 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	Operating Income		Operating Expenses		Operating Surplus/ (Deficit)		Grants Included in Operating Income		Total Assets Held (Current & Non-Current)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Undertakings	160	85	441	96	(281)	(11)	-	-	2,123	1,994
Community Services	127	112	322	357	(195)	(245)	38	16	-	1,862
Culture	-	1	11	26	(11)	(25)	-	-	-	-
Economic Development	2	-	59	59	(57)	(59)	-	-	-	121
Environment	199	173	357	328	(158)	(155)	-	-	203	840
Recreation	64	100	391	320	(327)	(220)	36	38	1,488	1,814
Regulatory Services	20	22	54	42	(34)	(20)	-	-	-	6
Transport	1,003	1,096	1,664	2,304	(661)	(1,208)	1,003	1,096	34,504	23,975
Plant Hire & Depot	81	48	190	51	(109)	(3)	-	-	1,518	1,499
Council Administration	1,360	2,495	847	767	513	1,728	18	1,258	7,710	5,514
TOTALS	3,016	4,132	4,336	4,350	(1,320)	(218)	1,095	2,408	47,546	37,625

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 11 (con't) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Private Works, Sewerage/CWMS, and Water Supply – Domestic.

Community Services

Crime Prevention, Community Support, Community Assistance, Community Transport, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

Economic Development

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

Environment

Agricultural Services, Agricultural Water, Waste Management, Domestic Waste, Recycling, Waste Disposal Facility, Other Waste Management, Stormwater and Drainage, Street Lighting, Streetscaping, Regional Landscape Levy, and Other Environment.

Recreation

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation.

Regulatory Services

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

Transport

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

Plant Hire & Depot

Unclassified Activities

Council Administration

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 12 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - 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 of 4.55% (2023: 4.3%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Rates & Associated

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 0.7542% (2023: 0.4833%) Although 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. Although 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.

District Council of Orroroo Carrieton

Notes to and forming part of the Financial Statements

Note 12 - FINANCIAL INSTRUMENTS (con't)

Receivables - Retirement Home

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 legislation.

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

Liabilities - Creditors and Accruals

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

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

Carrying amount: approximates fair value.

Liabilities - Retirement Home Contributions

Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.

Liabilities - Interest Bearing Borrowings

Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate

Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at variable rates of 6.15% (2023: between 2.05% and 6.05%)

Carrying amount: approximates fair value.

Liabilities - Finance Leases

Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 15

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 12 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2024	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial Assets</u>					
Cash & Equivalents	439	-	-	439	439
Receivables	263	89	-	352	348
Total	702	89	-	791	787
<u>Financial Liabilities</u>					
Payables	210	-	-	210	210
Current Borrowings	20	1	-	21	20
Total	230	1	-	231	230

2023	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial Assets</u>					
Cash & Equivalents	1,963	-	-	1,963	1,963
Receivables	84	-	-	84	99
Other Financial Assets	2	37	-	39	33
Total	2,049	37	-	2,086	2,095
<u>Financial Liabilities</u>					
Payables	233	-	-	233	232
Current Borrowings	2	27	-	29	25
Total	235	27	-	262	257

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

	30 June 2024		30 June 2023	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Other Variable Rates	6.15%	20	6.05%	25
		20		25

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 12 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

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

Risk Exposures:

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

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

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

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

Expected Credit Losses (ECLs)

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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 13 - FINANCIAL INDICATORS

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. Detailed methods of calculation are set out in the SA Model Statements.

	2024	2023	2022
Operating Surplus Ratio			
<u>Operating Surplus</u>	-43.8%	-5.3%	30.4%
Total Operating Income			

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-9%	-38%	-46%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. 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	-10.8%	-18.6%	24.8%
Adjusted Net Financial Liabilities Ratio	-6%	-2%	-28%

Asset Renewal Funding Ratio

<u>Outlays on Existing Assets</u>			
Asset Renewals - IAMP	55%	103%	81%

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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a detailed summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

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.

	2024	2023
	\$'000	\$'000
Income		
<i>Rates</i>	1,502	1,378
<i>Statutory charges</i>	25	27
<i>User charges</i>	147	111
<i>Grants, subsidies and contributions - Capital</i>	652	126
<i>Grants, subsidies and contributions` - Operating</i>	443	2,282
<i>Investment income</i>	56	32
<i>Reimbursements</i>	72	71
<i>Other income</i>	119	105
	3,016	4,132
Expenses		
<i>Employee costs</i>	(1,236)	(1,128)
<i>Materials, contracts and other expenses</i>	(1,626)	(1,853)
<i>Depreciation, amortisation and impairment</i>	(1,468)	(1,364)
<i>Finance costs</i>	(6)	(5)
	(4,336)	(4,350)
Operating Surplus / (Deficit)	(1,320)	(218)
Net Timing Adjustment for General Purpose Funding	1,486	(466)
Less: Grants, Subsidies & Contributions - Capital	(652)	(126)
Adjusted Operating Surplus / (Deficit)	(486)	(810)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(874)	(1,576)
Add back Depreciation, Amortisation and Impairment	1,468	1,364
Add Back Heavy Vehicle Bypass (prior period adjustment)	-	930
Proceeds from Sale of Replaced Assets	-	190
	594	908
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(995)	(1,338)
Amounts received specifically for New and Upgraded Assets	293	62
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	6	58
	(696)	(1,218)
Adjusted Annual Net Impact to Financing Activities surplus/ (deficit)	(588)	(1,120)

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 15 - LEASES

Council as a Lessee

The following are amounts recognised on profit or loss:

Expenses relating to short term leases	13
Total amount recognised in profit and loss	13

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.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2024 are as follows:

	2024	2023
	\$'000	\$'000
Within one year	38	29
After one year but not more than five years	56	34
More than five years	34	-
	128	63

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 16 – SUPERANNUATION

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

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% in 2023-24; 10.5% 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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 17 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

1. LAND UNDER ROADS

As reported elsewhere in these 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 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.

At reporting date, Council controlled 1,600 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", 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 \$33,000 (2023: \$33,000) at reporting date.

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

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 18 - RELATED PARTY DISCLOSURES

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, seven persons were paid the following total compensation:

	2024	2023
	\$	\$
Salaries, allowances & other short term benefits	268	250
TOTAL	268	250

Allowances / benefits incurred in the ordinary course of performing the KMPs role, and amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

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

	2024	2023
	\$	\$
Planning and building applications fees	-	4
TOTAL	-	4

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

One elected member is a member of the management committee of the Black Rock Dirt Circuit Club Inc, the Orroroo Bowling Club Inc, and the Orroroo Community Gym Inc. In accordance with the Local Government Act 1999 this person declared a conflict of interest and left the meeting environment when any matter affecting their Club was discussed or voted on. Council provided a loan of \$87,000 to the Bowling Club in this financial year. The Bowling Club paid Council \$110 in lease fees and \$464 for bus hire during 2023/24.

One elected member is a member of the Playground Steering Committee (through the Carrieton Progress Association). Council made a \$10,000 contribution towards a playground project this financial year. The Carrieton Progress Association paid Council \$250 in lease fees during 2023/24.

District Council of Orroroo Carrieton Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the District Council of Orroroo Carrieton (Council) for the year ended 30 June 2024.

Opinion

In our opinion, the financial statements of the Council are properly drawn up:

- a) to present fairly the financial position of the Council as at the 30 June 2024 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the council to meet the requirements of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

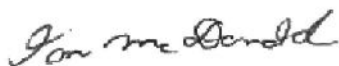
The Board of Management is responsible for the preparation of the financial report in accordance with the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



Ian G McDonald FCA
Registered Company Auditor 16458

Signed at Grange, 29 November 2024

Independent Assurance Report on the Internal Controls of the District Council of Orroroo Carrieton

We have audited the compliance of the District Council of Orroroo Carrieton (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.

Opinion

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

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129* of the *Local Government Act 1999* in relation to 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.

Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The Council's Responsibility for the Internal Controls

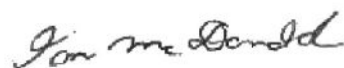
The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125* of the *Local Government Act 1999* in relation to Internal Controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property,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

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, 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 3100* also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

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



Ian G McDonald FCA

Chartered Accountant

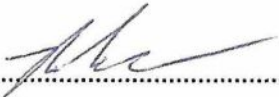
Registered Company Auditor 16458

Signed at Grange, 29 November 2024

District Council of Orroroo Carrieton
Annual 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 the District Council of Orroroo Carrieton for the year ended 30 June 2024, the Council's Auditor, Ian G McDonald, 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*.


.....
PAUL SIMPSON
CHIEF EXECUTIVE OFFICER


.....
DAVID POWELL
PRESIDING MEMBER AUDIT COMMITTEE

Date: 06/11/2024

District Council of Orroroo Carrieton

Annual Financial Statement

For the year ended 30 June 2024

Audit Certificate of Audit Independence

We confirm that, for the audit of the financial statements of the District Council of Orroroo Carrieton for the year ended 30 June 2024, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G McDonald FCA

Date: 24 September 2024