



District Council of  
**ORROROO**  
**CARRIETON**

# **General Purpose Financial Reports**

**For year ended**

**30 June 2019**

**District Council of Orroroo Carrieton**  
**Annual Financial Statements**  
**for the year ended 30 June 2019**

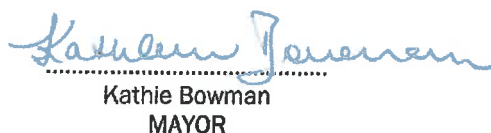
**CERTIFICATION OF FINANCIAL STATEMENTS**

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 2019 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.



.....  
Dylan Strong  
CHIEF EXECUTIVE OFFICER



.....  
Kathie Bowman  
MAYOR

Date: 23<sup>rd</sup> October 2019

**District Council of Orroroo Carrieton**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2019**

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**District Council of Orroroo Carrieton**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2019**

		2019	2018
	Notes	\$'000	\$'000
<b>INCOME</b>			
Rates	2	1,190	1,108
Statutory charges	2	18	16
User charges	2	95	131
Grants, subsidies and contributions	2	3,252	2,397
Investment income	2	25	25
Reimbursements	2	126	78
<b>Total Income</b>		<b>4,706</b>	<b>3,755</b>
<b>EXPENSES</b>			
Employee costs	3	941	998
Materials, contracts & other expenses	3	1,006	1,176
Depreciation, amortisation & impairment	3	996	948
Finance costs	3	14	23
<b>Total Expenses</b>		<b>2,957</b>	<b>3,145</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>1,749</b>	<b>610</b>
Asset disposal & fair value adjustments	4	-	(634)
Amounts received specifically for new or upgraded assets	2	1,765	-
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>3,514</b>	<b>(24)</b>

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

**District Council of Orroroo Carrieton**  
**Statement of Financial Position**  
**as at 30 June 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>1,487</b>	1,174
Trade & other receivables	5	<b>626</b>	160
Inventories	5	<b>41</b>	59
<b>Total Current Assets</b>		<b>2,154</b>	1,393
<b>Non-current Assets</b>			
Financial assets	6	<b>21</b>	24
Infrastructure, property, plant & equipment	7	<b>34,859</b>	31,505
<b>Total Non-current Assets</b>		<b>34,880</b>	31,529
<b>Total Assets</b>		<b>37,034</b>	32,922
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	<b>892</b>	128
Borrowings	8	<b>76</b>	88
Provisions	8	<b>310</b>	392
<b>Total Current Liabilities</b>		<b>1,278</b>	608
<b>Non-current Liabilities</b>			
Borrowings	8	<b>128</b>	204
Provisions	8	<b>31</b>	27
<b>Total Non-current Liabilities</b>		<b>159</b>	231
<b>Total Liabilities</b>		<b>1,437</b>	839
<b>NET ASSETS</b>		<b>35,597</b>	32,083
<b>EQUITY</b>			
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
Accumulated Surplus		<b>5,195</b>	1,681
Asset Revaluation Reserves	9	<b>30,402</b>	30,402
<b>TOTAL EQUITY</b>		<b>35,597</b>	32,083

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 2019**

		Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2019	Notes	\$'000	\$'000	\$'000
Balance at end of previous reporting period		1,681	30,402	32,083
Net Surplus / (Deficit) for Year		3,514	-	3,514
Balance at end of period		5,195	30,402	35,597

		\$'000	\$'000	\$'000
2018	Notes			
Balance at end of previous reporting period		1,705	30,402	32,107
Net Surplus / (Deficit) for Year		(24)	-	(24)
Balance at end of period		1,681	30,402	32,083

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 2019**

		2019	2018
	Notes	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Rates - general & other		1,176	1,108
Fees & other charges		18	17
User charges		85	241
Investment receipts		29	30
Grants utilised for operating purposes		2,845	2,577
Reimbursements		126	86
Other revenues		9	15
<i><b>Payments:</b></i>			
Employee costs		(916)	(970)
Materials, contracts & other expenses		(371)	(1,662)
Finance payments		(18)	(25)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>2,983</b>	<b>1,417</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Amounts specifically for new or upgraded assets		1,765	-
Sale of replaced assets		95	7
Sale of surplus assets		40	-
Repayments of loans by community groups		3	6
<i><b>Payments:</b></i>			
Expenditure on renewal/replacement of assets		(2,227)	(1,585)
Expenditure on new/upgraded assets		(2,258)	(4)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,582)</b>	<b>(1,576)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i><b>Payments:</b></i>			
Repayments of borrowings		(88)	(148)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(88)</b>	<b>(148)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>313</b>	<b>(307)</b>
 Cash & cash equivalents at beginning of period	11	<b>1,174</b>	1,481
<b>Cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>1,487</b>	1,174

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 2019**

**Note 1 - SIGNIFICANT 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 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 23 October 2019.

**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 significant to the financial statements are specifically referred to in the relevant sections of this Note.

**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 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.

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

**3 Income recognition**

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as income during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference	
2016/17	\$1,463,615	\$966,563	+	\$497,052
2017/18	\$939,742	\$453,523	+	\$486,219
2018/19	\$915,318	\$453,496	+	\$461,822



**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

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

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

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

**3.1 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. As there is no profit component, such works are treated as 100% completed. 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 and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. 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.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form 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.

**5.1 Real Estate Assets Developments**

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

**5.2 Other Real Estate held for resale**

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

**6 Infrastructure, Property, Plant & Equipment**

**6.1 Land under roads**

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

**6.2 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.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

**6.3 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.

**6.4 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

**6.5 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.

**6.6 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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 assessed for impairment.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

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 outflows 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.

**6.7 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 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**

Loans 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 carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

**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 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 estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date.

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 Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

**10 Leases**

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**  
**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)**

In respect of finance leases, where Council substantially carries the entire risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

**11 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.

**12 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that other than AASB 15, AASB 16, and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, or that they may impact certain information otherwise disclosed.

AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment but does not commence until the 2019/20 financial period and it is not Council's intention to adopt this standard early.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period and it is not Council's intention to adopt this standard early.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 2 - INCOME**

	Notes	2019 \$'000	2018 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		<b>1,017</b>	945
Less: Mandatory rebates		(13)	(13)
Less: Discretionary rebates, remissions & write offs		(11)	(5)
		<b>993</b>	927
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		35	34
Waste collection		143	132
Water supply		8	7
		<b>186</b>	173
<u>Other Charges</u>			
Penalties for late payment		11	8
		<b>11</b>	8
		<b>1,190</b>	1,108
<b>STATUTORY CHARGES</b>			
Development Act fees		7	10
Animal registration fees & fines		9	6
Other licences, fees, & fines		2	-
		<b>18</b>	16
<b>USER CHARGES</b>			
Cemetery/crematoria fees		12	6
Swimming Pool fees		9	12
Cropping		4	11
Hall & equipment hire		-	4
Rental Charges		10	10
Sales - general		7	7
Sundry		53	81
		<b>95</b>	131
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		25	25
		<b>25</b>	25

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 2 - INCOME (con't)**

	Notes	2019 \$'000	2018 \$'000
<b>REIMBURSEMENTS</b>			
- for private works		18	78
- other		108	-
		<u>126</u>	<u>78</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets			
CWMS		1,765	-
Other grants, subsidies and contributions			
Financial Assistance Grant - General		915	940
Road Supplementary Payment		384	128
Financial Assistance Grant - Local Roads		273	283
Roads to Recovery		180	365
Special Local Roads Grant		500	422
CWMS		-	170
Sport & Recreation		-	87
Drought Assistance Program		1,000	-
Sundry		-	2
		<u>3,252</u>	<u>2,397</u>
		<u>5,017</u>	<u>2,397</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		1,570	259
State government		3,447	2,138
		<u>5,017</u>	<u>2,397</u>
<b>Individually Significant Item</b>			
Prepaid Financial Assistance Grant		460	61

**District Council of Orreroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE**

	Notes	2019 \$'000	2018 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		712	850
Employee leave expense		271	168
Superannuation - defined contribution plan contributions	18	74	83
Superannuation - defined benefit plan contributions	18	7	
Workers' Compensation Insurance		24	24
Less: Capitalised and distributed costs		(147)	(127)
<b>Total Operating Employee Costs</b>		<b>941</b>	<b>998</b>
 <b>Total Number of Employees</b>		 <b>11</b>	 <b>11</b>
<i>(Full time equivalent at end of reporting period)</i>			
 <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		27	10
Bad and Doubtful Debts		1	-
Elected members' expenses		78	67
Election expenses		7	-
Operating Lease Rentals - cancellable leases		3	33
Subtotal - Prescribed Expenses		<b>116</b>	<b>110</b>
 <u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		581	235
Vehicle Repairs Maintenance		90	95
Freight		4	2
Legal Expenses		17	27
Electricity		45	50
Minor Equipment - Expensed		3	7
Plant & Equipment - Capitalised		572	186
Other Amounts Capitalised		-	680
Computer Hardware / Software		15	35
Water, Sewerage & Gas		62	67
CMWS & Stormwater plans		13	89
Uniforms Clothing / Protective Clothing		6	7
Sub-total		<b>1,408</b>	<b>1,480</b>

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE con't**

	2019	2018
Notes	\$'000	\$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES con't</b>		
<u>Other Materials, Contracts &amp; Expenses con't</u>		
Waste Management Collection	74	70
Office Consumables	6	18
General Maintenance Materials	123	103
Conferences / Seminars Training	8	19
Travel & Accommodation	1	1
Subsides / Membership Fees	24	26
Telephone	20	21
Insurance	84	110
Vehicle Registration	20	20
Grants to Outside Bodies	-	13
Other Expenses	9	17
NRM Levy	35	34
Road Resheeting	669	579
less amounts capitalised	(1,591)	(1,445)
Subtotal - Other Materials, Contracts & Expenses	890	1,066
	<b>1,006</b>	<b>1,176</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	193	188
Roads	650	633
Plant & Equipment	139	113
Other Assets	14	14
	<b>996</b>	<b>948</b>
<b>FINANCE COSTS</b>		
Interest on Loans	14	23
	<b>14</b>	<b>23</b>



**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS**

	2019	2018
Notes	\$'000	\$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i><b>Assets renewed or directly replaced</b></i>		
Proceeds from disposal	95	7
Less: Carrying amount of assets sold	(100)	(641)
<b>Gain (Loss) on disposal</b>	<u>(5)</u>	<u>(634)</u>
<i><b>Assets surplus to requirements</b></i>		
Proceeds from disposal	40	-
Less: Carrying amount of assets sold	(35)	-
<b>Gain (Loss) on disposal</b>	<u>5</u>	<u>-</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<u>-</u>	<u>(634)</u>

**District Council of Orroroo Carleton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 5 - CURRENT ASSETS**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		<b>73</b>	31
Deposits at Call		<b>1,414</b>	1,143
		<b>1,487</b>	1,174
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		<b>151</b>	137
Accrued Revenues		<b>407</b>	4
Debtors - general		<b>25</b>	15
GST Recoupment		<b>103</b>	64
Total		<b>686</b>	220
Less: Allowance for Doubtful Debts		<b>(60)</b>	(60)
		<b>626</b>	160
<b>INVENTORIES</b>			
Stores & Materials		<b>41</b>	59
		<b>41</b>	59

**Note 6 - NON-CURRENT ASSETS**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		<b>21</b>	24
<b>TOTAL FINANCIAL ASSETS</b>		<b>21</b>	24

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**

**for the year ended 30 June 2019**

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

	Fair Value Level	2018 \$'000				2019 \$'000			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	2	465	-	-	465	465	-	-	465
Land	3	1,361	-	-	1,361	1,361	-	-	1,361
Buildings & Other Structures	3	9,157	50	(6,399)	2,808	9,157	283	(6,592)	2,848
Roads	3	33,900	2,188	(10,386)	25,702	33,900	3,605	(11,036)	26,469
Plant & Equipment		-	3,671	(2,551)	1,120	-	4,139	(2,670)	1,469
CWMS		-	-	-	-	-	1,728	-	1,728
Other Assets		-	642	(593)	49	-	1,126	(607)	519
<b>Total IPP&amp;E</b>		<b>44,883</b>	<b>6,551</b>	<b>(19,929)</b>	<b>31,505</b>	<b>44,883</b>	<b>10,881</b>	<b>(20,905)</b>	<b>34,859</b>
<b>Comparatives</b>		<b>45,907</b>	<b>5,112</b>	<b>(19,514)</b>	<b>31,505</b>	<b>44,883</b>	<b>6,551</b>	<b>(19,929)</b>	<b>31,505</b>

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 2019**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

CARRYING AMOUNT MOVEMENTS DURING YEAR											2019
2018	\$'000										\$'000
Carrying Amount	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	Carrying Amount		
	New / Upgrade	Renewals				In	Out				
Land	465	-	-	-	-	-	-	-	-	465	
Land	1,361	-	-	-	-	-	-	-	-	1,361	
Buildings & Other Structures	2,808	17	-	(193)	-	-	-	-	-	2,848	
Roads	25,702	-	-	(650)	-	-	-	-	-	26,469	
Plant & Equipment	1,120	376	(135)	(139)	-	51	-	-	-	1,469	
CWMS	-	1,691	-	-	-	37	-	-	-	1,728	
Other Assets	49	174	-	(14)	-	-	(88)	-	-	519	
Total IPP&E	31,505	2,258	(135)	(996)	-	88	(88)	-	-	34,859	
Comparatives	31,505	4	(641)	(948)	-	-	-	-	-	31,505	

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 2019**

**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, fair value is taken to be the current replacement cost.

**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.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

**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.

**District Council of Orroroo Carrieton**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2019**

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

**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.

**Land & Land Improvements**

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 30 June 1997 at current replacement cost. Additions are recognised at cost.

These assets were revalued as at 1 July 2015 by Maloney Field Services.

**Buildings & Other Structures**

Buildings and other structures generally are recognised at fair value, based on current market values. However special purpose buildings (such as public toilets) for which there are no market, are valued at depreciated current replacement cost. Buildings which Council does not intend to replace at the end of their useful life are valued at market value of the "highest and best" use.

These assets were revalued as at 1 July 2015 by Maloney Field Services.

**Infrastructure**

Transportation assets were valued by Tonkin Consulting at depreciated current replacement cost with the subsequent changes brought to account as at 1 July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure is 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 2019**

**Note 8 - LIABILITIES**

		<b>2019</b>		<b>2018</b>	
		<b>\$'000</b>		<b>\$'000</b>	
<b>TRADE &amp; OTHER PAYABLES</b>	<b>Notes</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Goods & Services		<b>824</b>	-	51	-
Accrued expenses - employee entitlements		<b>30</b>	-	30	-
Accrued expenses - other		<b>27</b>	-	31	-
Other		<b>11</b>	-	16	-
		<b>892</b>	-	128	-
<b>BORROWINGS</b>					
Loans		<b>76</b>	<b>128</b>	88	204
		<b>76</b>	<b>128</b>	88	204
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		<b>197</b>	<b>31</b>	176	27
Other		<b>113</b>	-	216	-
		<b>310</b>	<b>31</b>	392	27

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	<b>1/7/2018</b>	<b>Net Increments/ (Decrements)</b>	<b>Transfers, Impairments</b>	<b>30/6/2019</b>
<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land	1,185	-	-	<b>1,185</b>
Buildings & Other Structures	619	-	-	<b>619</b>
Roads	28,598	-	-	<b>28,598</b>
<b>TOTAL</b>	<b>30,402</b>	<b>-</b>	<b>-</b>	<b>30,402</b>
<i>Comparatives</i>	<i>30,402</i>	<i>-</i>	<i>-</i>	<i>30,402</i>

**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).



**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**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	2019 \$'000	2018 \$'000
Total cash & equivalent assets	5	<u>1,487</u>	<u>1,174</u>
Balances per Cash Flow Statement		<u>1,487</u>	<u>1,174</u>

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

Net Surplus (Deficit)	3,514	(24)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	996	948
Net increase (decrease) in unpaid employee benefits	25	28
Grants for capital acquisitions treated as Investing Activity	(1,765)	-
Net (Gain) Loss on Disposals	-	634
	<u>2,770</u>	<u>1,586</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(466)	61
Net (increase) decrease in inventories	18	(36)
Net increase (decrease) in trade & other payables	764	(55)
Net increase (decrease) in other provisions	(103)	(139)
<b>Net Cash provided by (or used in) operations</b>	<u><b>2,983</b></u>	<u><b>1,417</b></u>

**District Council of Orroroo Carrieton**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

Note 11 - FUNCTIONS

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

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2019	2018	2019	2018
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	\$'000	\$'000	\$'000	\$'000
Business Undertakings	1,858	688	30	-	1,828	688	1,765	-	1,891	164
Community Services	34	243	104	380	(70)	(137)	-	-	982	982
Culture	1	1	49	18	(48)	(17)	-	-	164	-
Economic Development	1,002	5	16	51	986	(46)	1,000	-	-	-
Environment	155	57	185	22	(30)	35	-	-	1,006	1,056
Recreation	13	16	199	204	(186)	(188)	-	87	754	459
Regulatory Services	16	13	26	36	(10)	(23)	-	170	-	-
Transport & Communication	2,342	1,828	1,451	911	891	917	2,342	1,198	26,722	26,940
Plant Hire & Depot / Indirect	160	384	84	262	76	122	-	-	-	-
Unclassified Activities	-	491	-	917	-	(426)	-	-	-	-
Council Administration	890	29	813	344	77	(315)	-	942	3,340	3,321
<b>TOTALS</b>	<b>6,471</b>	<b>3,755</b>	<b>2,957</b>	<b>3,145</b>	<b>3,514</b>	<b>610</b>	<b>5,107</b>	<b>2,397</b>	<b>34,859</b>	<b>32,922</b>

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 11 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**Business Undertakings**

Caravan Park, Electricity Supply, Gravel Pits/Quarries, Development of Land for Resale, Markets/Saleyards, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic and Other.

**Community Services**

Public Order and Safety, Emergency Services, Other Fire Protection, Health Services, Pest Control – Health, Community Support, Elderly Citizens Facilities, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Community Amenities, Bus Shelters, Cemeteries, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**Culture**

Library Services, Cultural Services, Cultural Venues, Heritage, Museums, 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, Green Waste, Recycling, Waste Disposal Facility, Other Waste Management, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management 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, 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, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between .75% and 1.25% (2018: 1.5% and 1.75%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legal &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of .550% (2018: .5625%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

## District Council of Orroroo Carrieton

### Notes to and forming part of the Financial Statements

#### Note 12 - FINANCIAL INSTRUMENTS (con't)

<b>Receivables</b> - Retirement Home Contributions	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities</b> - Creditors and Accruals	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Retirement Home Contributions	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
<b>Liabilities</b> - Interest Bearing Borrowings	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.55% and 6.75% (2018: 4.55% and 8.27%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Finance Leases	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2019</b>	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial Assets</u></b>					
Cash & Equivalents	1,479	-	-	1,479	1,487
Receivables	686	-	-	686	626
Other Financial Assets	-	21	-	21	-
<b>Total</b>	<b>2,165</b>	<b>21</b>	<b>-</b>	<b>2,186</b>	<b>2,113</b>
<b><u>Financial Liabilities</u></b>					
Payables	835	-	-	835	835
Current Borrowings	76	-	-	76	76
Non-Current Borrowings	-	128	-	128	128
<b>Total</b>	<b>911</b>	<b>128</b>	<b>-</b>	<b>1,039</b>	<b>1,039</b>

<b>2018</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial Assets</u></b>					
Cash & Equivalents	1,174	-	-	1,174	1,174
Receivables	220	-	-	220	160
Other Financial Assets	-	24	-	24	24
<b>Total</b>	<b>1,394</b>	<b>24</b>	<b>-</b>	<b>1,418</b>	<b>1,358</b>
<b><u>Financial Liabilities</u></b>					
Payables	67	-	-	67	67
Current Borrowings	102	-	-	102	88
Non-Current Borrowings	-	221	-	221	204
<b>Total</b>	<b>169</b>	<b>221</b>	<b>-</b>	<b>390</b>	<b>359</b>

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

	<b>30 June 2019</b>		<b>30 June 2018</b>	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Fixed Interest Rates	5.55	204	5.55	292

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**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 allowance for doubtful debts. 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.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 13 - FINANCIAL INDICATORS**

	<b>2019</b>	2018	2017
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	37%	16%	13%
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>	(15%)	(14%)	(16%)
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	143%	92%	43%
Net Asset Renewals - IAMP			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.



**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 14 - UNIFORM PRESENTATION OF FINANCES**

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Income	<b>4,706</b>	3,755
Expenses	<b>(2,957)</b>	(3,145)
<b>Operating Surplus / (Deficit)</b>	<b>1,749</b>	610
 <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	<b>(2,227)</b>	(1,585)
Add back Depreciation, Amortisation and Impairment	<b>996</b>	948
Proceeds from Sale of Replaced Assets	<b>95</b>	7
	<b>(1,136)</b>	(630)
 <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	<b>(2,258)</b>	(4)
Amounts received specifically for New and Upgraded Assets	<b>1,765</b>	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<b>40</b>	-
	<b>(453)</b>	(4)
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>160</b>	(24)

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 15 – SUPERANNUATION**

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017-18) 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 119.32(b), 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 Willie Towers Watson as at 30 June 2017. 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 2019**

**Note 16 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET**

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge 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 1600 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 \$21,000 (2018: \$24,000) at reporting date.

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

**4. LEGAL EXPENSES**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

**5. CONTINGENT LIABILITIES**

At the time of preparing these accounts there are no other known contingent liabilities to consider other than those included in this Note.

**District Council of Orroroo Carrieton**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 17 - 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, 10 persons were paid the following total compensation:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Salaries, allowances & other short term benefits	162	227
<b>TOTAL</b>	<b>162</b>	<b>227</b>

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

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

There is one close family members of key management personnel employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act 1999*.

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renaë Nicholson CA  
Tim Muhlhauser CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of the District Council of Orroroo Carrieton

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

#### Opinion

We have audited the compliance of the District Council of Orroroo Carrieton (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 2018 to 30 June 2019 have been conducted properly and in accordance with law.

In our opinion, the District Council of Orroroo Carrieton 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 2018 to 30 June 2019.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements 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 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Council's Responsibility for Internal controls

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

#### Our Independence and Quality Control

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to 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 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 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of 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 which it was prepared.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

15 / 11 / 2019

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhauser CA  
Aaron Coonan CA  
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Daniel Moon CA



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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of the District Council of Orroroo Carrieton

#### Opinion

We have audited the accompanying financial report of the District Council of Orroroo Carrieton (the Council), which comprises the statement of financial position as at 30 June 2019, 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 the District Council of Orroroo Carrieton.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Council's Responsibility for the Financial Report

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

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

### **Auditor's Responsibility for the Audit of the Financial Report**

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

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

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

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

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner



District Council of Orroroo Carrieton  
Annual Financial Statements  
for the year ended 30 June 2019


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 Orroroo Carrieton for the year ended 30 June 2019, 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*.



.....  
Dylan Strong  
CHIEF EXECUTIVE OFFICER



.....  
Ian Swan  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 22<sup>nd</sup> October 2019



**District Council of Orroroo Carrieton**  
**ANNUAL FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2019**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of the District Council of Orroroo Carrieton for the year ended 30 June 2019, I have maintained my 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*.



**Tim Muhlhausler**  
**Partner – Galpins**

Date: 15<sup>th</sup> November 2019