



District Council of
ORROROO
CARRIETON

**General Purpose Financial Reports
for the year ended 30 June 2023**

District Council of Orroroo Carrieton
General Purpose Financial Reports
for the year ended 30 June 2023

Table of Contents

	Page #
Council Certificate	1
 Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	11
Note 3 - Expenses	14
Note 4 - Asset Disposal & Fair Value Adjustments	16
Note 5 - Current Assets	17
Note 6 - Non-Current Assets	17
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	18
Note 8 - Liabilities	22
Note 9 - Reserves	23
Note 10 - Reconciliation of Cash Flow Statement	24
Note 11 - Functions	25
Note 12 - Financial Instruments	27
Note 13 - Financial Indicators	31
Note 14 - Uniform Presentation of Finances	32
Note 15 - Leases	33
Note 16 - Superannuation	34
Note 17 - Contingent Assets & Contingent Liabilities	35
Note 18 - Related Party Transactions	36
 Audit Report - Financial Statements	
Audit Report - Internal Controls	
Council Certificate of Audit Independence	
Auditor Certificate of Audit Independence	

District Council of Orroroo Carrieton
Annual Financial Statements
for the year ended 30 June 2023

CERTIFICATION OF FINANCIAL STATEMENTS

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

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


PAUL SIMPSON
CHIEF EXECUTIVE OFFICER


GRANT CHAPMAN
MAYOR

Date: 22/11/2023

District Council of Orroroo Carrieton
Statement of Comprehensive Income
for the year ended 30 June 2023

		2023	2022
	Notes	\$'000s	\$'000s
INCOME			
Rates	2	1,385	1,322
Statutory charges	2	27	18
User charges	2	104	123
Grants, subsidies and contributions - Operating	2	2,408	3,372
Investment income	2	32	12
Reimbursements	2	71	99
Other income	2	105	52
Total Income		4,132	4,998
EXPENSES			
Employee costs	3	1,128	958
Materials, contracts & other expenses	3	922	1,202
Heavy Vehicle Bypass costs (prior period adjustment)	3	930	-
Depreciation, amortisation & impairment	3	1,364	1,312
Finance costs	3	5	7
Total Expenses		4,349	3,479
OPERATING SURPLUS / (DEFICIT)		(217)	1,519
Asset disposal & fair value adjustments	4	193	(120)
Amounts received specifically for new or upgraded assets	2	62	1,282
Physical resources received free of charge	2	14	-
NET SURPLUS / (DEFICIT)		52	2,681
transferred to Equity Statement		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		52	2,681

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 2023

		2023	2022
	Notes	\$'000s	\$'000s
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,963	2,806
Trade & other receivables	5	99	208
Inventories	5	385	167
Total Current Assets		2,447	3,181
Non-current Assets			
Financial assets	6	33	33
Infrastructure, property, plant & equipment	7	35,144	34,565
Total Non-current Assets		35,177	34,598
Total Assets		37,624	37,779
LIABILITIES			
Current Liabilities			
Trade & other payables	8	249	470
Borrowings	8	25	25
Provisions	8	235	236
		509	731
Total Current Liabilities		509	731
Non-current Liabilities			
Provisions	8	16	1
Total Non-current Liabilities		16	1
Total Liabilities		525	732
NET ASSETS		37,099	37,047
EQUITY			
Accumulated surplus		10,828	10,814
Asset revaluation reserves	9	26,217	26,217
Other reserves	9	54	16
TOTAL EQUITY		37,099	37,047

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 2023

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
		\$'000s	\$'000s	\$'000s	\$'000s
2023	Notes				
Balance at end of previous reporting period		10,814	26,217	16	37,047
Net Surplus / (Deficit) for Year		52			52
Transfers between reserves		(38)		38	-
Balance at end of period	9	<u>10,828</u>	<u>26,217</u>	<u>54</u>	<u>37,099</u>
		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
		\$'000s	\$'000s	\$'000s	\$'000s
2022	Notes				
Balance at end of previous reporting period		8,149	26,217	-	34,366
Net Surplus / (Deficit) for Year		2,681			2,681
Transfers between reserves		(16)		16	-
Balance at end of period	9	<u>10,814</u>	<u>26,217</u>	<u>16</u>	<u>37,047</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 2023

		2023	2022
	Notes	\$'000s	\$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Rates - general & other		1,433	1,360
Fees & other charges		27	18
User charges		107	136
Investment receipts		32	12
Grants utilised for operating purposes		2,433	3,410
Reimbursements		206	110
Other revenues		462	380
<i>Payments:</i>			
Employee costs		(1,109)	(958)
Materials, contracts & other expenses		(1,739)	(1,945)
Finance payments		(3)	(50)
Net Cash provided by (or used in) Operating Activities		1,849	2,473
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		62	1,282
Grants utilised for capital purposes		-	1
Sale of replaced assets		190	-
Sale of surplus assets		58	-
Repayments of loans by community groups		-	8
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(1,576)	(1,907)
Expenditure on new/upgraded assets		(1,338)	(943)
Loans made to community groups		-	(25)
Net Cash provided by (or used in) Investing Activities		(2,604)	(1,584)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings		-	25
<i>Payments:</i>			
Repayments of borrowings		-	(66)
Repayment of aged care facility deposits		(88)	-
Net Cash provided by (or used in) Financing Activities		(88)	(41)
Net Increase (Decrease) in cash held		(843)	848
Cash & cash equivalents at beginning of period	10	2,806	1,958
Cash & cash equivalents at end of period	10	1,963	2,806

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 2023

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 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 22 November 2023.

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 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 significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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

District Council of Orroroo Carrieton

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

	Cash Payment Received (\$000s)	Annual Allocation (\$000s)	Difference	
2020-21	\$ 926	\$ 946	-	\$ 20
2021-22	\$ 1,261	\$ 973	+	\$ 288
2022-23	\$ 1,917	\$ 1,312	+	\$ 605

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

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

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 insignificant 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 2023

Note 1 - Significant 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. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are 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.

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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". 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	0.6% (2022: 0%)
Weighted average settlement period	1.2 years (2022: 3 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 2023
Note 1 - Significant 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

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

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

11 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 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 2022. 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 2023

Note 2 - INCOME

	Notes	2023 \$'000s	2022 \$'000s
RATES REVENUES			
<u>General Rates</u>		1,141	1,107
Less: Mandatory rebates		(19)	(20)
Less: Discretionary rebates, remissions & write offs		(2)	(25)
		<u>1,120</u>	<u>1,062</u>
<u>Other Rates</u> (including service charges)			
Landscape levy		45	44
Waste collection		156	155
Water supply		7	8
Community wastewater management systems		47	46
		<u>255</u>	<u>253</u>
<u>Other Charges</u>			
Penalties for late payment		7	7
Legal & other costs recovered		3	-
		<u>10</u>	<u>7</u>
		<u>1,385</u>	<u>1,322</u>
STATUTORY CHARGES			
Development Act fees		14	9
Animal registration fees & fines		9	7
Other licences, fees, & fines		4	2
		<u>27</u>	<u>18</u>
USER CHARGES			
Cemetery/crematoria fees		11	13
Aged Independent Living Units		41	48
Swimming Pool fees		7	9
Sport Lease fees		3	7
Stock Route		9	8
Facility Hire, Lease Rental charges		17	18
Event income		-	4
Bus income		4	5
Waste disposal		4	3
Sundry User Charges		8	8
		<u>104</u>	<u>123</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023
Note 2 - INCOME (con't)

	Notes	2023 \$'000s	2022 \$'000s
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		30	12
Banks & other		1	-
Loans to community groups		1	-
		<u>32</u>	<u>12</u>
REIMBURSEMENTS			
Roadworks		-	12
Private works		27	23
Joint undertakings		33	53
Other Reimbursements		11	11
		<u>71</u>	<u>99</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		76	9
Rebates received		13	20
Community Events		7	17
Sundry Other Income		9	6
		<u>105</u>	<u>52</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
<i>Amounts received specifically for new or upgraded assets</i>		62	1,282
<i>Other grants, subsidies and contributions - Operating</i>			
Financial Assistance Grant - untied		1,258	1,261
Financial Assistance Grant - Roads		659	1,113
Roads to Recovery		260	260
Heavy Vehicle Bypass		51	588
Drought Communities Program		-	50
Local Roads & Community Infrastructure		126	88
Ageing Well /Library & Communications		38	4
Sundry Grants		16	8
		<u>2,408</u>	<u>3,372</u>
		<u>2,470</u>	<u>4,654</u>
<i>The functions to which these grants relate are shown in Note 11.</i>			
Sources of grants			
Commonwealth government		495	1,124
State government		1,965	3,519
Other		10	11
		<u>2,470</u>	<u>4,654</u>

Jon Mc Donald

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2 - INCOME (con't)

<i>Individually Significant Item</i>	<i>Notes</i>	2023 \$'000s	2022 \$'000s
Prepaid Financial Assistance Grants - untied		1,151	765
Prepaid Financial Assistance Grants - Roads		335	255

Conditions over grants & contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

<i>Unexpended at the close of the previous reporting period</i>		412	200
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>State Sport & Recreation Facilities</i>		(77)	-
<i>Special Local Roads</i>		(153)	-
<i>Local Roads & Community Infrastructure</i>		(182)	-
<i>Subtotal</i>		(412)	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>CWMS Grant</i>		6	-
<i>Aging Well Grant</i>		38	-
<i>State Sport & Recreation Facilities</i>		-	77
<i>Special Local Roads</i>		-	21
<i>Local Roads & Community Infrastructure</i>		-	114
<i>Subtotal</i>		44	212
<i>Unexpended at the close of this reporting period</i>		44	412
<i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>		(368)	212

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

Land & Improvements	14	-
TOTAL PHYSICAL RESOURCES RECEIVED	14	-

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3 - EXPENSE

		2023	2022
	Notes	\$'000s	\$'000s
EMPLOYEE COSTS			
Salaries and Wages		891	959
Employee leave expense		115	45
Superannuation - defined contribution plan contributions	16	97	93
Superannuation - defined benefit plan contributions	16	10	6
Workers' Compensation Insurance		30	25
Other employment related costs		37	15
Less: Capitalised and distributed costs		(52)	(185)
Total Operating Employee Costs		1,128	958
Total Number of Employees		13	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	7
Bad and Doubtful Debts		(64)	60
Elected members' expenses		80	61
Election expenses		3	-
Lease Expenses - short term leases	15	11	16
Subtotal - Prescribed Expenses		43	144
<u>Other Materials, Contracts & Expenses</u>			
Conferences / Seminars / Training		18	20
Contractors		377	391
Donations / Contributions		10	7
Energy, Water, Sewage & Gas		82	102
Insurance		135	127
Inventory gain / (loss) on stocktake		(249)	-
Legal Expenses		17	46
Levies paid to Government - Landscape levy		45	44
Maintenance of Plant, Equipment and Roads		121	98
Minor Equipment		12	19
Publishing / Advertising		3	13
Membership Fees		38	40
Telephone		13	16
Vehicle Registration		16	17
Waste Levy		27	26
Waste Management Collection		119	78
Other Expenses		95	15
Subtotal - Other Materials, Contracts & Expenses		879	1,059
		922	1,202

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3 - EXPENSE con't

		2023	2022
	Notes	\$'000s	\$'000s
INDIVIDUALLY SIGNIFICANT ITEMS			
Heavy Vehicle Bypass costs (prior period adjustment)	7	930	-
<p>In the financial year ending 30 June 2022 the Heavy Vehicle Bypass project was capitalised as a Council asset. Subsequent to this, it was identified that part of the asset belongs to the South Australian State Government. Therefore, in the current financial year ending 30 June 2023, the asset not owned by Council is being removed and the capitalised expenditure is being recognised in Operating Expenses. The grant income relating to the Heavy Vehicle Bypass project was recognised in the prior financial year ending 30 June 2022.</p>			
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Land		-	-
Buildings & Other Structures		289	278
Roads		786	763
Plant & Equipment		206	218
CWMS		31	30
Other Assets		52	23
		<u>1,364</u>	<u>1,312</u>
FINANCE COSTS			
Bank Charges		4	4
Interest on Loans		1	3
		<u>5</u>	<u>7</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	Notes	2023 \$'000s	2022 \$'000s
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		190	1
Less: Carrying amount of assets sold		29	412
Gain (Loss) on disposal		161	(411)
<i>Assets surplus to requirements</i>			
Proceeds from disposal		58	
Less: Carrying amount of assets sold		26	
Gain (Loss) on disposal		32	-
FAIR VALUE ADJUSTMENTS			
Revaluation decrements previously expensed, now recouped		-	291
		-	291
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		193	(120)

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 5 - CURRENT ASSETS

	2023	2022
	Notes	\$'000s
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	92	15
Deposits at Call	1,871	2,791
	<u>1,963</u>	<u>2,806</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	76	124
Debtors - general	8	-
Other levels of Government	-	25
GST Recoupment	15	106
Total	<u>99</u>	<u>255</u>
Less: Provision for expected credit losses	-	(47)
	<u>99</u>	<u>208</u>
<i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>	0	0
<i>Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 12.</i>		
INVENTORIES		
Stores & Materials	385	167
	<u>385</u>	<u>167</u>
<i>Amounts included in inventories that are not expected to be received within 12 months of reporting date.</i>	0	0
Aggregate write-downs and other losses recognised as an expense, and reversals of these, were material in amount in the current financial year, as disclosed in Note 3. All such reversals occurred principally as a result of an accumulation of inaccuracies in stocktake recording and valuing in recent years.		
FINANCIAL ASSETS		
Receivables		
Loans to community organisations	33	33
TOTAL FINANCIAL ASSETS	<u>33</u>	<u>33</u>

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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

	Fair Value Level	2022 \$'000				2023 \$'000			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	2	463	-	-	463	463	79	-	542
Land (held within CLMP)	3	948	-	-	948	948	1	-	949
Buildings & Other Structures	3	8,643	1,949	(4,473)	6,119	8,643	2,351	(4,734)	6,260
Roads	3	29,722	4,682	(11,262)	23,142	29,722	5,896	(12,075)	23,543
Plant & Equipment		-	3,428	(2,013)	1,415	-	3,257	(1,840)	1,417
CWMS	3	1,768	268	(87)	1,949	1,768	274	(118)	1,923
Other Assets		-	740	(211)	529	-	675	(164)	510
Total IPP&E		41,544	11,067	(18,046)	34,565	41,544	12,533	(18,931)	35,144
Comparatives		41,544	9,963	(18,407)	33,100	41,544	11,067	(18,046)	34,565

	2022 \$'000s	Carrying Amounts Movement During the Year \$'000s								2023 \$'000s
	Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals				In	Out		
Land	463	79	-	-	-	-	-	-	-	542
Land (held within CLMP)	948	1	-	-	-	-	-	-	-	949
Buildings & Other Structures	6,119	412	74	-	(289)	-	-	(56)	-	6,260
Roads	23,142	855	1,204	-	(786)	-	58	(930)	-	23,543
Plant & Equipment	1,415	-	263	(53)	(206)	-	-	(2)	-	1,417
CWMS	1,949	5	-	-	(31)	-	-	-	-	1,923
Other Assets	529	-	36	(3)	(52)	-	-	-	-	510
Total IPP&E	34,565	1,352	1,577	(56)	(1,364)	-	58	(988)	-	35,144
Comparatives	33,100	943	1,954	(412)	(1,311)	291	145	(145)	-	34,565

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 2023

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.

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 2023

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

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 2023

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 July 2020 by Mr Richard Gayler, Gayler Professional Engineering Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

Infrastructure

Transportation assets were revalued at depreciated current replacement cost during the reporting period ended 1 July 2019 by Mr Richard Gayler, Gayler Professional Engineering Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

In the financial year ending 30 June 2022 the Heavy Vehicle Bypass project was recorded as an asset. Part of this asset has subsequently been identified as an asset of the South Australian State Government, and has been transferred out of Council assets during the current financial year. See Note 3 for Operating Expense impact to this asset reversal.

Community wastewater management system infrastructure was valued at depreciated current replacement cost at 1 July 2020 by Mr Richard Gayler, Gayler Professional Engineering Pty Ltd. All acquisitions made after the date 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 2023

Note 8 - LIABILITIES

		2023		2022	
		\$'000s		\$'000s	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		74	-	346	-
Payments received in advance		14	-	-	-
Accrued expenses - employee entitlements		14	-	9	-
Accrued expenses - other		3	-	1	-
Aged Care Facility Deposits		-	-	96	-
Unclaimed Monies		128	-	-	-
GST Payable		-	-	2	0
Other Payables		16	-	16	0
		249	-	470	-

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

-

-

BORROWINGS

Loans		25	-	25	-
		25	-	25	-

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

PROVISIONS

LSL Employee entitlements (including oncosts)		139	16	156	1
AL Employee entitlements (including oncosts)		96	-	80	-
		235	16	236	1

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

16

-

Movements in Provisions - 2023 year only
(current & non-current)

	<i>Insurance Losses</i>	<i>Future Reinstatement</i>	<i>Leave & Other Provision</i>
Opening Balance	-	-	237
Add Additional amounts recognised	-	-	19
(Less) Payments	-	-	5
Closing Balance	-	-	251

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2022	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2023
Notes	\$'000s	\$'000s	\$'000s	\$'000s
Land	783	-	-	783
Buildings & Other Structures	2,632	-	-	2,632
Roads	22,778	-	-	22,778
Community Wastewater Management Scheme	24	-	-	24
TOTAL	26,217	-	-	26,217
Comparatives	26,217	-	-	26,217

OTHER RESERVES	1/7/2022	Transfers to Reserve	Transfers from Reserve	30/6/2023
Community Wastewater Management Scheme	16	38	-	54
TOTAL OTHER RESERVES	16	38	-	54
Comparatives	-	16	-	16

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 2023

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	2023 \$'000s	2022 \$'000s
Total cash & equivalent assets	5	1,963	2,806
Balances per Cash Flow Statement		<u>1,963</u>	<u>2,806</u>

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

Net Surplus (Deficit)		52	2,681
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,364	1,312
Fair value adjustments		-	(291)
Net increase (decrease) in unpaid employee benefits		19	(15)
Change in allowances for under-recovery		(47)	(60)
Non-cash asset acquisitions		(14)	-
Grants for capital acquisitions treated as Investing Activity		(62)	(1,282)
Net (Gain) Loss on Disposals		<u>(193)</u>	<u>411</u>
		1,119	2,756
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		154	229
Net (increase) decrease in inventories		(218)	(114)
Net increase (decrease) in trade & other payables		(136)	(385)
Net increase (decrease) in other liabilities		-	(13)
Non-cash transfer of asset to SA State Government	3	<u>930</u>	<u>-</u>
Net Cash provided by (or used in) operations		<u>1,849</u>	<u>2,473</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical resources received free of charge	2	<u>14</u>	<u>-</u>
<i>Amounts recognised in Income Statement</i>		<u>14</u>	<u>-</u>
		<u>14</u>	<u>-</u>

(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	535	25

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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				
	2023 \$'000s	2022 \$'000s	2023 \$'000s	2022 \$'000s	2023 \$'000s	2022 \$'000s				
Business Undertakings	85	104	96	65	(11)	39	-	-	1,994	2,011
Community Services	112	446	357	53	(245)	393	16	325	1,862	1,192
Culture	1	5	26	33	(25)	(28)	-	4	-	-
Economic Development	-	9	59	63	(59)	(54)	-	-	121	126
Environment	173	182	328	214	(155)	(32)	-	-	840	776
Recreation	100	331	320	221	(220)	110	38	286	1,814	1,537
Regulatory Services	22	28	42	111	(20)	(83)	-	-	6	6
Transport & Communication	1,096	1,541	2,304	963	(1,208)	578	1,096	2,779	23,976	23,251
Plant Hire & Depot	48	90	51	24	(3)	66	-	-	1,499	1,495
Council Administration	2,495	2,262	766	1,732	1,729	530	1,258	1,260	5,512	7,385
TOTALS	4,132	4,998	4,349	3,479	(217)	1,519	2,408	4,654	37,624	37,779

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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 2023

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 variable interest rates of between 0% and 4.3% (2022: 0.45% to 1.05%).

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 monthly interest of 0.4833% (2022: 0.421%). 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 upon maturity; interest is charged at variable rates between 2.05% and 6.05% (2022: 2.05%)

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 2023

Note 12 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2023	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$000's	\$000's	\$000's	\$000's	\$000's
<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

2022	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$000's	\$000's	\$000's	\$000's	\$000's
<u>Financial Assets</u>					
Cash & Equivalents	2,805	-	-	2,805	2,806
Receivables	242	-	-	242	241
Other Financial Assets		33	-	33	33
Total	3,047	33	-	3,080	3,080
<u>Financial Liabilities</u>					
Payables	365	-	-	365	460
Current Borrowings	25	-	-	25	25
Total	390	-	-	390	485

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

	30 June 2023		30 June 2022	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$000's	%	\$000's
Other Variable Rates	6.05	25	2.05	25
		25		25

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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.

	2023	2022	2021
Operating Surplus Ratio			
<u>Operating Surplus</u>	-5.3%	30.4%	-4.6%
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>	-38%	-46%	-39%
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	-18.6%	24.8%	-3.9%
Adjusted Net Financial Liabilities Ratio	-2%	-28%	-24%

Asset Renewal Funding Ratio

<u>Outlays on Existing Assets</u>	103%	81%	80%
Asset Renewals - IAMP			

Net asset renewals expenditure is defined as net 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 2023

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, 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.

	2023 \$'000s	2022 \$'000s
Income		
<i>Rates</i>	1,385	1,322
<i>Statutory charges</i>	27	18
<i>User charges</i>	104	123
<i>Grants, subsidies and contributions - Operating</i>	2,408	3,372
<i>Investment income</i>	32	12
<i>Reimbursements</i>	71	99
<i>Other income</i>	105	52
	4,132	4,998
Expenses		
<i>Employee costs</i>	(1,128)	(958)
<i>Materials, contracts and other expenses</i>	(922)	(1,202)
<i>Heavy Vehicle Bypass costs (prior period adjustment)</i>	(930)	-
<i>Depreciation, amortisation and impairment</i>	(1,364)	(1,312)
<i>Finance costs</i>	(5)	(7)
	(4,349)	(3,479)
Operating Surplus / (Deficit)	(217)	1,519
<i>Timing adjustment for grant revenue</i>	(466)	(370)
Adjusted Operating Surplus / (Deficit)	(683)	1,149
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(1,576)	(1,907)
Add back Depreciation, Amortisation and Impairment	1,364	1,312
Add back Heavy Vehicle Bypass costs (prior period adjustment)	930	-
Proceeds from Sale of Replaced Assets	190	-
	908	(595)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(1,338)	(943)
Amounts received specifically for New and Upgraded Assets	62	1,282
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	58	-
	(1,218)	339
Annual Net Impact to Financing Activities	(993)	893

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 15 - LEASES

Council as a Lessee **2023**
\$'000

The following are amounts recognised on profit or loss:

Expenses relating to short term leases	11
Total amount recognised in profit and loss	11

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 2023 are as follows:

	2023 \$'000	2022 \$'000
Within one year	29	-
After one year but not more than five years	34	-
More than five years	-	-
	63	-

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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

Salarylink (Defined Benefit Fund) Members

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

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2022. 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 2023

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 (2022: \$33,000) 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 notice of any appeals against planning decisions made prior to the reporting date.

District Council of Orroroo Carrieton
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

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:

	2023	2022
	\$'000	\$'000
Salaries, allowances & other short term benefits	250	216
TOTAL	250	216

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

Planning and building applications fees	4	-
Rentals for Council property	-	2
TOTAL	4	2

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Two close family members of key management personnel was employed by Council for part of the financial year, 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*.

Key management personnel or close family members (including related parties) lodged a total of four planning and building applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications.

Four planning and building approvals, with and without conditions, were granted during the year (2022: none). Total fees for these applications (all of which are payable on lodgement) amounted to \$3,809.

One elected member is a member of the management committees 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 environs when any matter affecting their Club is discussed or voted on. The Council did not make any payments to any of these Clubs.

One elected member is a member of the Playground Steering Committee (through the Carrieton Progress Association). During the year Council approved a \$10,000 contribution towards a playground in its budget, however no amount has been paid towards this project this financial year.

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 2023.

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 2023 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, 30 November 2023

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 2022 to 30 June 2023 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 2022 to 30 June 2023.

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 2022 to 30 June 2023. *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, 30 November 2023

District Council of Orroroo Carrieton
Annual Financial Statements
for the year ended 30 June 2023
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Orroroo Carrieton for the year ended 30 June 2023, 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.

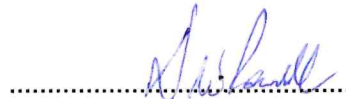
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....

PAUL SIMPSON

CHIEF EXECUTIVE OFFICER



.....

DAVID POWELL

PRESIDING MEMBER AUDIT COMMITTEE

Date:

08/11/2023.

District Council of Orroroo Carrieton

Annual Financial Statement

For the year ended 30 June 2022

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 2023, 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: 27 September 2023