

Castlereagh Macquarie County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2024



Castlereagh Macquarie County Council

General Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Contents for the notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	44
On the Financial Statements (Sect 417 [3])	47

Castlereagh Macquarie County Council

General Purpose Financial Statements

for the year ended 30 June 2024

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2024.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Castlereagh Macquarie County Council

General Purpose Financial Statements
for the year ended 30 June 2024

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

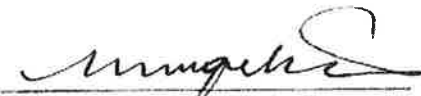
Signed in accordance with a resolution of Council made on 26 August 2024.



Doug Batten
Chairperson
26 August 2024



Bill Fisher
Deputy Chairperson
26 August 2024



Michael Urquhart
General Manager
26 August 2024



Michael Urquhart
Responsible Accounting Officer
26 August 2024

Castlereagh Macquarie County Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	Income from continuing operations			
185	User charges and fees	B2-1	79	148
6	Other revenues	B2-2	5	6
909	Grants and contributions provided for operating purposes	B2-3	1,442	1,636
15	Interest and investment income	B2-4	37	27
–	Other income	B2-5	18	–
5	Net gain from the disposal of assets	B4-1	–	15
1,120	Total income from continuing operations		1,581	1,832
	Expenses from continuing operations			
588	Employee benefits and on-costs	B3-1	747	551
566	Materials and services	B3-2	702	1,218
–	Borrowing costs	B3-3	2	–
80	Depreciation, amortisation and impairment of non-financial assets	B3-4	115	94
1,234	Total expenses from continuing operations		1,566	1,863
(114)	Operating result from continuing operations		15	(31)
(114)	Net operating result for the year attributable to Council		15	(31)
(114)	Net operating result for the year before grants and contributions provided for capital purposes		15	(31)

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

Castlereagh Macquarie County Council

Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Net operating result for the year – from Income Statement		15	(31)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	46	253
Total items which will not be reclassified subsequently to the operating result		46	253
Total other comprehensive income for the year		46	253
Total comprehensive income for the year attributable to Council		61	222

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

Castlereagh Macquarie County Council

Statement of Financial Position

as at 30 June 2024

	Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	916	581
Investments	C1-2	500	500
Receivables	C1-4	30	105
Inventories	C1-5	40	79
Other	C1-7	3	–
Total current assets		1,489	1,265
Non-current assets			
Infrastructure, property, plant and equipment (IPPE)	C1-6	528	576
Right of use assets	C2-1	49	10
Total non-current assets		577	586
Total assets		2,066	1,851
LIABILITIES			
Current liabilities			
Payables	C3-1	76	47
Lease liabilities	C2-1	19	5
Employee benefit provisions	C3-2	256	171
Total current liabilities		351	223
Non-current liabilities			
Lease liabilities	C2-1	31	5
Total non-current liabilities		31	5
Total liabilities		382	228
Net assets		1,684	1,623
EQUITY			
Accumulated surplus	C4-1	1,201	1,186
IPPE revaluation reserve	C4-1	483	437
Council equity interest		1,684	1,623
Total equity		1,684	1,623

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

Castlereagh Macquarie County Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		1,186	437	1,623	1,217	184	1,401
Net operating result for the year		15	–	15	(31)	–	(31)
Net operating result for the period		15	–	15	(31)	–	(31)
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	46	46	–	253	253
Other comprehensive income		–	46	46	–	253	253
Total comprehensive income		15	46	61	(31)	253	222
Closing balance at 30 June		1,201	483	1,684	1,186	437	1,623

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

Castlereagh Macquarie County Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
Cash flows from operating activities				
<i>Receipts:</i>				
185	User charges and fees		155	125
15	Interest received		37	23
909	Grants and contributions		1,442	1,782
6	Other		115	6
<i>Payments:</i>				
(588)	Payments to employees		(678)	(535)
(419)	Payments for materials and services		(663)	(1,362)
–	Borrowing costs		(2)	–
–	Other		(51)	(55)
108	Net cash flows from operating activities	F1-1	355	(16)
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		1,000	1,000
12	Proceeds from sale of IPPE		–	23
<i>Payments:</i>				
–	Acquisition of term deposits		(1,000)	(1,000)
(16)	Payments for IPPE		–	(53)
(4)	Net cash flows from investing activities		–	(30)
Cash flows from financing activities				
<i>Payments:</i>				
(5)	Principal component of lease payments		(20)	(5)
(5)	Net cash flows from financing activities		(20)	(5)
99	Net change in cash and cash equivalents		335	(51)
968	Cash and cash equivalents at beginning of year		581	632
1,067	Cash and cash equivalents at end of year	C1-1	916	581
–	plus: Investments on hand at end of year	C1-2	500	500
1,067	Total cash, cash equivalents and investments		1,416	1,081

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

Castlereagh Macquarie County Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	16
B2-1 User charges and fees	16
B2-2 Other revenues	16
B2-3 Grants and contributions	17
B2-4 Interest and investment income	18
B2-5 Other income	18
B3 Costs of providing services	19
B3-1 Employee benefits and on-costs	19
B3-2 Materials and services	20
B3-3 Borrowing costs	20
B3-4 Depreciation, amortisation and impairment of non-financial assets	21
B4 Gains or losses	21
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	21
B5 Performance against budget	22
B5-1 Material budget variations	22
C Financial position	24
C1 Assets we manage	24
C1-1 Cash and cash equivalents	24
C1-2 Financial investments	25
C1-3 Restricted and allocated cash, cash equivalents and investments	26
C1-4 Receivables	27
C1-5 Inventories	27
C1-6 Infrastructure, property, plant and equipment	28
C1-7 Other	30
C2 Leasing activities	31
C2-1 Council as a lessee	31
C3 Liabilities of Council	33
C3-1 Payables	33
C3-2 Employee benefit provisions	33
C4 Reserves	34
C4-1 Nature and purpose of reserves	34
D Risks and accounting uncertainties	35
D1-1 Risks relating to financial instruments held	35
D2-1 Fair value measurement	37
D3-1 Contingencies	38

Castlereagh Macquarie County Council

Contents for the notes to the Financial Statements for the year ended 30 June 2024

E People and relationships	39
E1 Related party disclosures	39
E1-1 Key management personnel (KMP)	39
E1-2 Councillor and Mayoral fees and associated expenses	40
E2 Other relationships	41
E2-1 Audit fees	41
F Other matters	42
F1-1 Statement of Cash Flows information	42
F2-1 Events occurring after the reporting date	42
F3 Statement of performance measures	43
F3-1 Statement of performance measures – consolidated results	43

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- ii. employee benefit provisions – refer Note C3-2.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-1 – B2-3.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

A1-1 Basis of preparation (continued)

Volunteer services

Council does not engage volunteers.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

The following new standard is effective for the first time at 30 June 2024:

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

The most significant change introduced by this standard is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information.

“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.”

In applying the new requirements, Council has after taking into account the various specific facts and circumstances applied professional judgement to ensure it discloses only material accounting policies as opposed to significant accounting policies throughout these financial statements.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
Governance	-	-	46	33	(46)	(33)	-	-	-	-
Administration	-	-	360	255	(360)	(255)	-	-	-	-
Environment	1,581	1,832	1,160	1,575	421	257	1,442	1,636	2,066	1,851
Total functions and activities	1,581	1,832	1,566	1,863	15	(31)	1,442	1,636	2,066	1,851

B1-2 Components of functions or activities

GOVERNANCE

Includes costs related to Council's role as a component of democratic government, members' fees and expenses, subscriptions to local authority associations, meeting of Council and policy-making committees, public disclosure (e.g. GIPA) and legislative compliance.

ADMINISTRATION

Includes corporate support and other support services and any Council policy compliance.

ENVIRONMENT

Includes priority/noxious plants and insect/vermin control, other environmental protection.

B2 Sources of income

B2-1 User charges and fees

	Timing	2024 Actual \$ '000	2023 Actual \$ '000
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Private works – section 67	2	79	148
Total fees and charges – statutory/regulatory		79	148
Total other user charges and fees		79	148
Total user charges and fees		79	148
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		79	148
Total user charges and fees		79	148

Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

B2-2 Other revenues

	Timing	2024 Actual \$ '000	2023 Actual \$ '000
Insurance claims recoveries	2	5	6
Total other revenue		5	6
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		5	6
Total other revenue		5	6

Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

B2-3 Grants and contributions

		Operating 2024 Actual \$ '000	Operating 2023 Actual \$ '000	Capital 2024 Actual \$ '000	Capital 2023 Actual \$ '000
	Timing				
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Noxious weeds	2	853	1,068	-	-
Previously contributions:					
Other councils – joint works/services	2	589	568	-	-
Total special purpose grants and non-developer contributions – cash		1,442	1,636	-	-
Total special purpose grants and non-developer contributions (tied)		1,442	1,636	-	-
Total grants and non-developer contributions		1,442	1,636	-	-
Comprising:					
– Other funding		589	568	-	-
– State funding		853	1,068	-	-
		1,442	1,636	-	-

		Operating 2024 Actual \$ '000	Operating 2023 Actual \$ '000	Capital 2024 Actual \$ '000	Capital 2023 Actual \$ '000
Total grants and contributions		1,442	1,636	-	-

Timing of revenue recognition for grants and contributions

Grants and contributions recognised over time (1)		-	-	-	-
Grants and contributions recognised at a point in time (2)		1,442	1,636	-	-
Total grants and contributions		1,442	1,636	-	-

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

	Operating 2024 Actual \$ '000	Operating 2023 Actual \$ '000	Capital 2024 Actual \$ '000	Capital 2023 Actual \$ '000
Unspent grants and contributions				
Unspent funds at 1 July	231	185	-	-
Add: operating grants recognised in the current period but not yet spent	329	231	-	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(191)	(185)	-	-
Unspent funds at 30 June	369	231	-	-

B2-3 Grants and contributions (continued)

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-4 Interest and investment income

	2024 Actual \$ '000	2023 Actual \$ '000
Interest on financial assets measured at amortised cost		
– Cash and investments	37	27
Total interest and investment income (losses)	37	27

B2-5 Other income

Rental income

Room/Facility Hire	18	–
Total other income	18	–

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2024	2023
	Actual	Actual
	\$ '000	\$ '000
Salaries and wages	501	398
Travel expenses	6	1
Employee leave entitlements (ELE)	153	84
Superannuation	66	50
Workers' compensation insurance	11	8
Training costs (other than salaries and wages)	7	7
Protective clothing	3	3
Total employee costs	747	551
Total employee costs expensed	747	551
Number of 'full-time equivalent' employees (FTE) at year end	8	6

Material accounting policy information

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable.

B3-2 Materials and services

	Notes	2024 Actual \$ '000	2023 Actual \$ '000
Raw materials and consumables		131	564
Contractor costs		212	331
Audit Fees	E2-1	21	14
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	E1-2	46	33
Advertising		6	3
Computer software charges		17	19
Insurance		76	70
Office expenses (including computer expenses)		60	60
Postage		1	1
Printing and stationery		7	2
Telephone and communications		8	7
Plant expenses		104	88
Regional meeting expenses		8	23
Membership		5	3
Total materials and services		702	1,218
Total materials and services		702	1,218

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans		2	–
Total interest bearing liability costs		2	–
Total interest bearing liability costs expensed		2	–

(ii) Other borrowing costs

Fair value adjustments on recognition of advances and deferred debtors			
Total borrowing costs expensed		2	–

B3-4 Depreciation, amortisation and impairment of non-financial assets

	Notes	2024 \$ '000	2023 \$ '000
Depreciation and amortisation			
Plant and equipment		80	81
Office equipment		2	3
Infrastructure:	C1-6		
– Buildings (non-specialised)		12	5
Right of use assets	C2-1	21	5
Total gross depreciation and amortisation costs		115	94
Total depreciation and amortisation costs		115	94
Total depreciation, amortisation and impairment for non-financial assets		115	94

Material accounting policy information

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other non-financial assets that do not meet the criteria above are tested 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

	Notes	2024 Actual \$ '000	2023 Actual \$ '000
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-6	–	23
Less: carrying amount of plant and equipment assets sold/written off		–	(8)
Gain (or loss) on disposal		–	15
Gain (or loss) on disposal of term deposits			
Proceeds from disposal/redemptions/maturities – term deposits	C1-2	1,000	1,000
Less: carrying amount of term deposits sold/redeemed/matured		(1,000)	(1,000)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		–	15

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 26 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
User charges and fees	185	79	(106)	(57)% U
Actual private works income was less than the original budget predictions.				
Other revenues	6	5	(1)	(17)% U
Insurance recoveries were less than the original budget predictions.				
Operating grants and contributions	909	1,442	533	59% F
Received grants of \$241,000 for the Hudson Pear Program, \$149,000 for Local Control Authority for Weeds and \$62,000 for the Rubber Vine Program that were not budgeted.				
Interest and investment revenue	15	37	22	147% F
Interest rates on term deposits increased during the year allowing for higher returns.				
Net gains from disposal of assets	5	-	(5)	(100)% U
No disposal of motor vehicles during the year.				
Other income	-	18	18	∞ F
Income for renting office space was not included in the budget.				
Expenses				
Employee benefits and on-costs	588	747	(159)	(27)% U
Salary and wages were higher than budget due to additional staff and pay rises.				
Materials and services	566	702	(136)	(24)% U
Materials and services were higher than budget due to spending funds on the new weed programs across the course of the year.				
Borrowing costs	-	2	(2)	∞ U
Interest component of right of use asset for the building lease was not included in the budget.				
Depreciation, amortisation and impairment of non-financial assets	80	115	(35)	(44)% U
Depreciation was lower than budget due to the ageing of the County Councils assets.				

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	108	355	247	229% F
Operating income was more than previously estimated in the original budget.				
Cash flows from investing activities	(4)	-	4	(100)% F
Council budgeted for the disposal and purchase of new plant and equipment which did not occur during the year.				
Cash flows from financing activities	(5)	(20)	(15)	300% U
Principal component of lease payments was higher than budget due to the commencement of the building lease in Walgett.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2024 Actual \$ '000	2023 Actual \$ '000
Cash assets		
Cash on hand and at bank	916	581
Total cash and cash equivalents	916	581
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	916	581
Balance as per the Statement of Cash Flows	916	581

C1-2 Financial investments

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
Debt securities at amortised cost				
Long term deposits	500	–	500	–
Total	500	–	500	–
Total financial investments	500	–	500	–
Total cash assets, cash equivalents and investments	1,416	–	1,081	–

Material accounting policy information

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

C1-3 Restricted and allocated cash, cash equivalents and investments

	2024 Actual \$ '000	2023 Actual \$ '000
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	1,416	1,081
Less: Externally restricted cash, cash equivalents and investments	<u>(369)</u>	<u>(231)</u>
Cash, cash equivalents and investments not subject to external restrictions	1,047	850

External restrictions

External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants (recognised as revenue) – general fund	369	231
Total external restrictions	369	231

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

	2024 Actual \$ '000	2023 Actual \$ '000
--	---------------------------	---------------------------

(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions	1,047	850
Less: Internally restricted cash, cash equivalents and investments	<u>(171)</u>	<u>(153)</u>
Unrestricted and unallocated cash, cash equivalents and investments	876	697

Internal allocations

At 30 June, Council has internally allocated funds to the following:

Plant and vehicle replacement	49	37
Employees leave entitlement	102	96
Building	<u>20</u>	<u>20</u>
Total internal allocations	171	153

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

	2024 Actual \$ '000	2023 Actual \$ '000
--	---------------------------	---------------------------

(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	876	697
--	------------	-----

C1-4 Receivables

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
User charges and fees	12	-	88	-
Accrued revenues				
– Interest on investments	5	-	5	-
Net GST receivable	13	-	12	-
Total	30	-	105	-
Total net receivables	30	-	105	-
Unrestricted receivables	30	-	105	-
Total net receivables	30	-	105	-

Material accounting policy information

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

C1-5 Inventories

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
(i) Inventories at cost				
Stores and materials	40	-	79	-
Total inventories at cost	40	-	79	-
Total inventories	40	-	79	-

Material accounting policy information

Raw materials and stores, work in progress and finished goods

Costs are assigned to individual items of inventory on the basis of weighted average costs.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period							
	At 1 July 2023			At 30 June 2024				
	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000	Depreciation expense \$ '000	Revaluation decrements to equity (ARR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000
Plant and equipment	435	(172)	263	(80)	–	435	(252)	183
Office equipment	57	(55)	2	(2)	–	56	(56)	–
Land:								
– Operational land	36	–	36	–	3	39	–	39
Infrastructure:								
– Buildings – non-specialised	460	(185)	275	(12)	43	534	(228)	306
Total infrastructure, property, plant and equipment	988	(412)	576	(94)	46	1,064	(536)	528

C1-6 Infrastructure, property, plant and equipment (continued)

	At 1 July 2022			Asset movements during the reporting period				At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Plant and equipment	423	(124)	299	53	(8)	(81)	–	435	(172)	263
Office equipment	57	(52)	5	–	–	(3)	–	57	(55)	2
Land:										
– Operational land	4	–	4	–	–	–	32	36	–	36
Infrastructure:										
– Buildings – non-specialised	287	(228)	59	–	–	(5)	221	460	(185)	275
Total infrastructure, property, plant and equipment	771	(404)	367	53	(8)	(89)	253	988	(412)	576

C1-6 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years		
Office equipment	5 to 10		
Office furniture	10 to 20		
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40

C1-7 Other

Other assets

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
Prepayments	3	-	-	-
Total other assets	3	-	-	-

C2 Leasing activities

C2-1 Council as a lessee

Council has a lease over a building. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Leases are on a short-term basis with the building lease renewable in the 2023/2024 financial year.

Buildings

Council leases a depot building in Coonamble. The lease has a five (5) year term.

The building lease contains an annual pricing mechanism based on a fixed increases of 3% at each anniversary of the lease inception.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

	Ready to use Actual \$ '000	Total Actual \$ '000
2024		
Opening balance at 1 July	10	10
Additions to right-of-use assets	60	60
Depreciation charge	(21)	(21)
Balance at 30 June	49	49
2023		
Opening balance at 1 July	15	15
Depreciation charge	(5)	(5)
Balance at 30 June	10	10

(b) Lease liabilities

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
Lease liabilities	19	31	5	5
Total lease liabilities	19	31	5	5

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year Actual \$ '000	1 – 5 years Actual \$ '000	> 5 years Actual \$ '000	Total Actual \$ '000	Total per Statement of Financial Position Actual \$ '000
2024					
Cash flows	21	31	–	52	50
2023					
Cash flows	5	5	–	10	10

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

	2024 Actual \$ '000	2023 Actual \$ '000
Depreciation of right of use assets	21	5
	21	5

(e) Statement of Cash Flows

Total cash outflow for leases	(20)	(5)
	(20)	(5)

Material accounting policy information

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C3 Liabilities of Council

C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Accrued expenses:				
– Salaries and wages	–	–	16	–
– Other expenditure accruals	76	–	31	–
Total payables	76	–	47	–

Payables

Payable amounts are unsecured and are usually paid within 30 days of recognition.

C3-2 Employee benefit provisions

	2024 Current Actual \$ '000	2024 Non-current Actual \$ '000	2023 Current Actual \$ '000	2023 Non-current Actual \$ '000
Annual leave	122	–	83	–
Long service leave	134	–	88	–
Total employee benefit provisions	256	–	171	–

Current employee benefit provisions not anticipated to be settled within the next twelve months

	2024 Actual \$ '000	2023 Actual \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	183	44
	183	44

Description of and movements in provisions

	ELE provisions		
	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
2024			
At beginning of year	83	88	171
Additional provisions	70	49	119
Amounts used (payments)	(31)	(3)	(34)
Total ELE provisions at end of year	122	134	256
2023			
At beginning of year	78	77	155
Additional provisions	30	13	43
Amounts used (payments)	(25)	(2)	(27)
Total ELE provisions at end of year	83	88	171

C3-2 Employee benefit provisions (continued)

Material accounting policy information

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value 2024 \$ '000	Carrying value 2023 \$ '000	Fair value 2024 \$ '000	Fair value 2023 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	916	581	916	581
Receivables	30	105	30	105
Investments				
– Debt securities at amortised cost	500	500	500	500
Total financial assets	1,446	1,186	1,446	1,186
Financial liabilities				
Payables	76	47	76	47
Total financial liabilities	76	47	76	47

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's General Manager manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

	2024 \$ '000	2023 \$ '000
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	12	11
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

(b) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Total cash outflows \$ '000	Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000		
2024							
Payables	0.00%	–	76	–	–	76	76
Lease liabilities	0.00%	–	19	31	–	50	50
Total financial liabilities		–	95	31	–	126	126
2023							
Payables	0.00%	–	47	–	–	47	47
Lease liabilities	0.00%	–	5	5	–	10	10
Total financial liabilities		–	52	5	–	57	57

D2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

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

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

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

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

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

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Infrastructure, property, plant and equipment									
	C1-6								
		30/06/24	30/06/23	–	–	183	265	183	265
		30/06/24	30/06/23	–	–	39	36	39	36
		30/06/24	30/06/23	–	–	306	275	306	275
				–	–	528	576	528	576

D3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(ii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iii) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2024 \$ '000	2023 \$ '000
Compensation:		
Short-term benefits	104	80
Total	104	80

Other transactions with KMP and their related parties

Council has determined that there were no other KMP or related party transactions.

E1-2 Councillor and Mayoral fees and associated expenses

	2024	2023
	Actual	Actual
	\$ '000	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Member expenses – chairperson’s fee	4	4
Member expenses – member’s fees	20	19
Member’s expenses (incl. chairperson) – other (excluding fees above)	22	10
Total	46	33

E2 Other relationships

E2-1 Audit fees

	2024 Actual \$ '000	2023 Actual \$ '000
--	---------------------------	---------------------------

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	21	14
Remuneration for audit and other assurance services	21	14
Total Auditor-General remuneration	21	14
Total audit fees	21	14

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

	2024	2023
	Actual	Actual
	\$ '000	\$ '000
Net operating result from Income Statement	15	(31)
Add / (less) non-cash items:		
Depreciation and amortisation	115	94
(Gain) / loss on disposal of assets	–	(15)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	75	(27)
(Increase) / decrease of inventories	39	(30)
Decrease/(increase) in other assets	(3)	–
Increase / (decrease) in other accrued expenses payable	29	(23)
Increase/(decrease) in employee leave entitlements	85	16
Net cash flows from operating activities	355	(16)

F2-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

F3 Statement of performance measures

F3-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023 2022		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	15	0.95%	(2.53)%	(7.32)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	1,581				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	139	8.79%	9.96%	10.06%	> 60.00%
Total continuing operating revenue ¹	1,581				
3. Unrestricted current ratio					
Current assets less all external restrictions	1,120	6.67x	5.78x	5.84x	> 1.50x
Current liabilities less specific purpose liabilities	168				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	132	6.00x	9.60x	5.75x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	22				
5. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	1,416	12.02 months	6.63 months	12.37 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	118				

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Castlereagh Macquarie County Council

To the Councillors of Castlereagh Macquarie County Council

Opinion

I have audited the accompanying financial statements of Castlereagh Macquarie County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales

28 October 2024
SYDNEY



Cr Doug Batten
Chairperson
Castlereagh Macquarie County Council
PO Box 664
WALGETT NSW 2825

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: R008-2124742775-7989

28 October 2023

Dear Chairperson

**Report on the Conduct of the Audit
for the year ended 30 June 2024
Castlereagh Macquarie County Council**

I have audited the general purpose financial statements (GPFS) of the Castlereagh Macquarie County Council (the Council) for the year ended 30 June 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

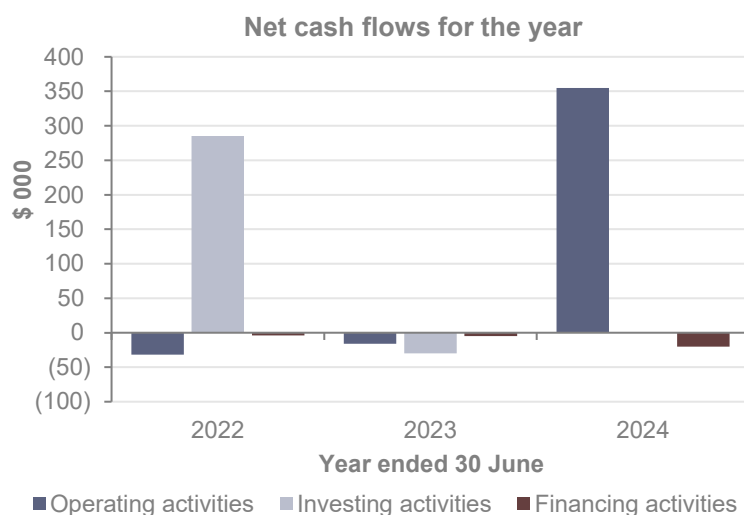
	2024	2023	Variance
	\$000	\$000	%
Grants and contributions revenue	1,442	1,636	↓ 12
Operating result from continuing operations	15	(31)	↑ 148

Grants and contributions revenue (\$1.4 million decreased by \$194,000 (12 per cent) in 2023–2024 due to the receipt of additional funding for projects being received in the prior year.

Council’s operating result from continuing operations (\$15,000 including the effect of depreciation and amortisation expense of \$115,000) compared to a deficit of \$31,000 for 2021–22 result. This is primarily due to decrease in material and services by \$516,000 to \$702,000 which is mitigated by increase in depreciation expense by \$21,000 to \$115,000, decrease in revenue for user charges and fees by \$69,000 to \$79,000 and decrease in grants and contributions.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash increased by \$335,000 to \$1,416,000 at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2024	2023	Commentary
	\$'000	\$'000	
Total cash, cash equivalents and investments	1,416	1,081	External restrictions represent unspent grants.
Restricted cash and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	369	231	
• Internal allocations	171	153	

PERFORMANCE

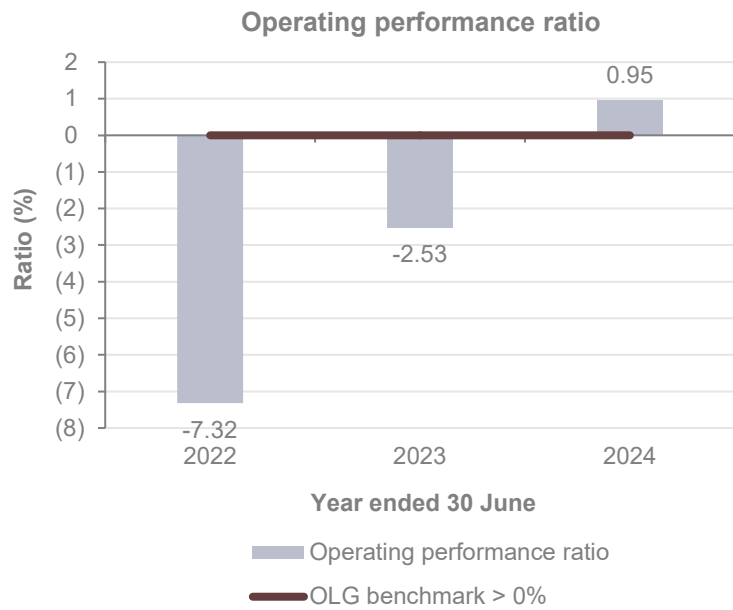
Performance measures

The following section provides an overview of the Council’s performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

Operating performance ratio

The Council met the OLG benchmark for the current reporting period.

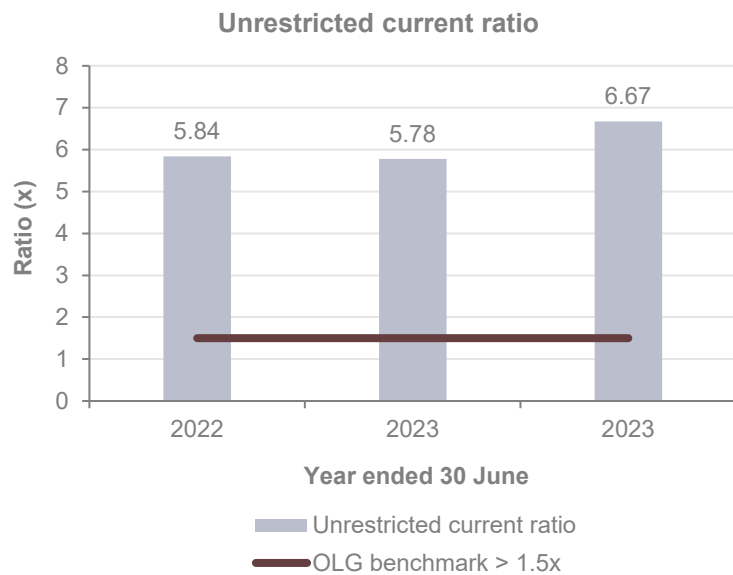
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

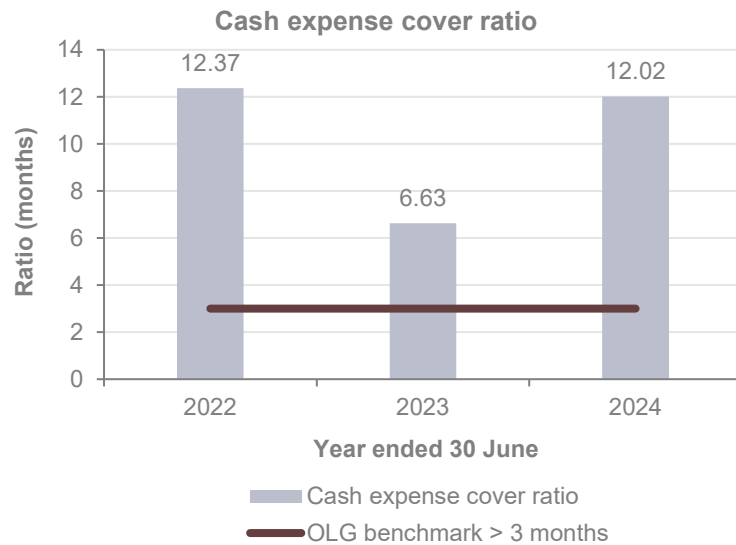
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Cash expense cover ratio

The Council met the OLG benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.

Manuel Moncada

Director, Financial Audit
Delegate of the Auditor-General for New South Wales