

# Castlereagh Macquarie County Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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# Castlereagh Macquarie County Council

## General Purpose Financial Statements

for the year ended 30 June 2025

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# Castlereagh Macquarie County Council

## General Purpose Financial Statements

for the year ended 30 June 2025

## Understanding Council's Financial Statements

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### 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 2025.

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 2025

### 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 issued by 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.

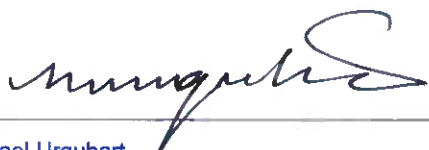
Signed in accordance with a resolution of Council made on 25 August 2025.



Doug Batten  
Chairperson  
25 August 2025



Noel Kinsey  
Deputy Chairperson  
25 August 2025



Michael Urquhart  
General Manager  
25 August 2025



Michael Urquhart  
Responsible Accounting Officer  
25 August 2025

# Castlereagh Macquarie County Council

## Income Statement

for the year ended 30 June 2025

| Original<br>unaudited<br>budget<br>2025<br>\$ '000 |  | Notes | Actual<br>2025<br>\$ '000 | Actual<br>2024<br>\$ '000 |
|--|--|-------|---------------------------|---------------------------|
|  | <b>Income from continuing operations</b>   |       |                           |                           |
| 114  | User charges and fees  | B2-1  | 31                        | 79                        |
| 5  | Other revenues   | B2-2  | 5                         | 5                         |
| 1,242  | Grants and contributions provided for operating purposes   | B2-3  | 1,210                     | 1,442                     |
| 36   | Interest and investment income   | B2-4  | 62                        | 37                        |
| —  | Other income   | B2-5  | 19                        | 18                        |
| 5  | Net gain from the disposal of assets   | B4-1  | —                         | —                         |
| 1,402  | <b>Total income from continuing operations</b>   |       | <b>1,327</b>              | <b>1,581</b>              |
|  | <b>Expenses from continuing operations</b>   |       |                           |                           |
| 635  | Employee benefits and on-costs   | B3-1  | 780                       | 747                       |
| 711  | Materials and services   | B3-2  | 539                       | 702                       |
| —  | Borrowing costs  | B3-3  | 1                         | 2                         |
| 1,346  | <b>Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b>   |       | <b>1,320</b>              | <b>1,451</b>              |
| 56   | <b>Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets</b> |       | <b>7</b>                  | <b>130</b>                |
| 85   | Depreciation, amortisation and impairment of non-financial assets  | B3-4  | 109                       | 115                       |
| (29)   | <b>Operating result from continuing operations</b>   |       | <b>(102)</b>              | <b>15</b>                 |
| (29)   | <b>Net operating result for the year attributable to Council</b>   |       | <b>(102)</b>              | <b>15</b>                 |
| (29)   | <b>Net operating result for the year before grants and contributions provided for capital purposes</b>                         |       | <b>(102)</b>              | <b>15</b>                 |

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 2025

|  |       | <b>Actual<br/>2025<br/>\$ '000</b> | <b>Actual<br/>2024<br/>\$ '000</b> |
|--|-------|------------------------------------|------------------------------------|
|  | Notes |                                    |                                    |
| <b>Net operating result for the year – from Income Statement</b>                 |       | <b>(102)</b>                       | <b>15</b>                          |
| <b>Other comprehensive income:</b>   |       |                                    |                                    |
| Amounts which will not be reclassified subsequent to operating result            |       |                                    |                                    |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment      | C1-6  | –                                  | 46                                 |
| <b>Total items which will not be reclassified subsequent to operating result</b> |       | <b>–</b>                           | <b>46</b>                          |
| <b>Total other comprehensive income for the year</b>                             |       | <b>–</b>                           | <b>46</b>                          |
| <b>Total comprehensive income for the year attributable to Council</b>           |       | <b>(102)</b>                       | <b>61</b>                          |

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 2025

|  | Notes | Actual<br>2025<br>\$ '000 | Actual<br>2024<br>\$ '000 |
|--|-------|---------------------------|---------------------------|
| <b>ASSETS</b>  |       |                           |                           |
| <b>Current assets</b>                                |       |                           |                           |
| Cash and cash equivalents                            | C1-1  | 448                       | 916                       |
| Investments  | C1-2  | 1,000                     | 500                       |
| Receivables  | C1-4  | 20                        | 30                        |
| Inventories  | C1-5  | 32                        | 40                        |
| Other  | C1-7  | 5                         | 3                         |
| <b>Total current assets</b>                          |       | <b>1,505</b>              | <b>1,489</b>              |
| <b>Non-current assets</b>                            |       |                           |                           |
| Infrastructure, property, plant and equipment (IPPE) | C1-6  | 439                       | 528                       |
| Right of use assets                                  | C2-1  | 29                        | 49                        |
| <b>Total non-current assets</b>                      |       | <b>468</b>                | <b>577</b>                |
| <b>Total assets</b>                                  |       | <b>1,973</b>              | <b>2,066</b>              |
| <b>LIABILITIES</b>                                   |       |                           |                           |
| <b>Current liabilities</b>                           |       |                           |                           |
| Payables   | C3-1  | 65                        | 76                        |
| Lease liabilities                                    | C2-1  | 15                        | 19                        |
| Employee benefit provisions                          | C3-2  | 292                       | 256                       |
| <b>Total current liabilities</b>                     |       | <b>372</b>                | <b>351</b>                |
| <b>Non-current liabilities</b>                       |       |                           |                           |
| Lease liabilities                                    | C2-1  | 16                        | 31                        |
| Employee benefit provisions                          | C3-2  | 3                         | —                         |
| <b>Total non-current liabilities</b>                 |       | <b>19</b>                 | <b>31</b>                 |
| <b>Total liabilities</b>                             |       | <b>391</b>                | <b>382</b>                |
| <b>Net assets</b>                                    |       | <b>1,582</b>              | <b>1,684</b>              |
| <b>EQUITY</b>  |       |                           |                           |
| Accumulated surplus                                  | C4-1  | 1,099                     | 1,201                     |
| IPPE revaluation surplus                             | C4-1  | 483                       | 483                       |
| <b>Council equity interest</b>                       |       | <b>1,582</b>              | <b>1,684</b>              |
| <b>Total equity</b>                                  |       | <b>1,582</b>              | <b>1,684</b>              |

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 2025

|   | Notes | 2025                              |   |                            | 2024                              |   |                            |
|---|-------|-----------------------------------|---|----------------------------|-----------------------------------|---|----------------------------|
|   |       | Accumulated<br>surplus<br>\$ '000 | IPPE<br>revaluation<br>surplus<br>\$ '000 | Total<br>equity<br>\$ '000 | Accumulated<br>surplus<br>\$ '000 | IPPE<br>revaluation<br>surplus<br>\$ '000 | Total<br>equity<br>\$ '000 |
| Opening balance at 1 July   |       | 1,201                             | 483                                       | 1,684                      | 1,186                             | 437                                       | 1,623                      |
| Net operating result for the year   |       | (102)                             | –   | (102)                      | 15                                | –   | 15                         |
| <b>Net operating result for the period</b>                                  |       | <b>(102)</b>                      | <b>–</b>                                  | <b>(102)</b>               | <b>15</b>                         | <b>–</b>                                  | <b>15</b>                  |
| <b>Other comprehensive income</b>   |       |                                   |   |                            |                                   |   |                            |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-6  | –                                 | –   | –                          | –                                 | 46  | 46                         |
| <b>Other comprehensive income</b>   |       | <b>–</b>                          | <b>–</b>                                  | <b>–</b>                   | <b>–</b>                          | <b>46</b>                                 | <b>46</b>                  |
| <b>Total comprehensive income</b>   |       | <b>(102)</b>                      | <b>–</b>                                  | <b>(102)</b>               | <b>15</b>                         | <b>46</b>                                 | <b>61</b>                  |
| <b>Closing balance at 30 June</b>   |       | <b>1,099</b>                      | <b>483</b>                                | <b>1,582</b>               | <b>1,201</b>                      | <b>483</b>                                | <b>1,684</b>               |

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 2025

| Original<br>unaudited<br>budget<br>2025<br>\$ '000 |   | Notes | Actual<br>2025<br>\$ '000 | Actual<br>2024<br>\$ '000 |
|--|---|-------|---------------------------|---------------------------|
| <b>Cash flows from operating activities</b>        |   |       |                           |                           |
| <b>Receipts:</b>                                   |   |       |                           |                           |
| 114  | User charges and fees                               |       | 43                        | 155                       |
| 36   | Interest received                                   |       | 58                        | 37                        |
| 1,242  | Grants and contributions                            |       | 1,210                     | 1,442                     |
| 5  | Other   |       | 96                        | 115                       |
| <b>Payments:</b>                                   |   |       |                           |                           |
| (635)  | Payments to employees                               |       | (738)                     | (678)                     |
| (648)  | Payments for materials and services                 |       | (531)                     | (663)                     |
| –  | Borrowing costs                                     |       | (1)                       | (2)                       |
| (88)   | Other   |       | (86)                      | (51)                      |
| 26   | <b>Net cash flows from operating activities</b>     | F1-1  | 51                        | 355                       |
| <b>Cash flows from investing activities</b>        |   |       |                           |                           |
| <b>Receipts:</b>                                   |   |       |                           |                           |
| –  | Redemption of term deposits                         |       | 900                       | 1,000                     |
| 46   | Proceeds from sale of IPPE                          |       | –                         | –                         |
| <b>Payments:</b>                                   |   |       |                           |                           |
| –  | Acquisition of term deposits                        |       | (1,400)                   | (1,000)                   |
| (106)  | Payments for IPPE                                   |       | –                         | –                         |
| (60)   | <b>Net cash flows from investing activities</b>     |       | (500)                     | –                         |
| <b>Cash flows from financing activities</b>        |   |       |                           |                           |
| <b>Payments:</b>                                   |   |       |                           |                           |
| (5)  | Principal component of lease payments               |       | (19)                      | (20)                      |
| (5)  | <b>Net cash flows from financing activities</b>     |       | (19)                      | (20)                      |
| (39)   | <b>Net change in cash and cash equivalents</b>      |       | (468)                     | 335                       |
| 581  | Cash and cash equivalents at beginning of year      |       | 916                       | 581                       |
| 542  | <b>Cash and cash equivalents at end of year</b>     | C1-1  | 448                       | 916                       |
| 500  | plus: Investments on hand at end of year            | C1-2  | 1,000                     | 500                       |
| 1,042  | <b>Total cash, cash equivalents and investments</b> |       | 1,448                     | 1,416                     |

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

# Castlereagh Macquarie County Council

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# Castlereagh Macquarie County Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 25 August 2025. 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)

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### 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 2025 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2025.

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

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025.

The following new standard is effective for the first time at 30 June 2025:

- **AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.**

There is no significant impact on the Councils' reported financial position.

## 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 |              |
|---------------------------------------|--------------|--------------|--------------|--------------|------------------|-----------|--------------------------|--------------|---------------------------|--------------|
|                                       | 2025         | 2024         | 2025         | 2024         | 2025             | 2024      | 2025                     | 2024         | 2025                      | 2024         |
|                                       | \$ '000      | \$ '000      | \$ '000      | \$ '000      | \$ '000          | \$ '000   | \$ '000                  | \$ '000      | \$ '000                   | \$ '000      |
| <b>Functions or activities</b>        |              |              |              |              |                  |           |                          |              |                           |              |
| Governance                            | –            | –            | 32           | 46           | (32)             | (46)      | –                        | –            | –                         | –            |
| Administration                        | –            | –            | 361          | 360          | (361)            | (360)     | –                        | –            | –                         | –            |
| Environment                           | 1,327        | 1,581        | 1,036        | 1,160        | 291              | 421       | 1,210                    | 1,442        | 1,973                     | 2,066        |
| <b>Total functions and activities</b> | <b>1,327</b> | <b>1,581</b> | <b>1,429</b> | <b>1,566</b> | <b>(102)</b>     | <b>15</b> | <b>1,210</b>             | <b>1,442</b> | <b>1,973</b>              | <b>2,066</b> |

## 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 | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|---|--------|---------------------------|---------------------------|
| <b>Other user charges and fees</b>  |        |                           |                           |
| <b>(i) Fees and charges – statutory and regulatory functions (per s608)</b> |        |                           |                           |
| Private works – section 67  | 2      | 31                        | 79                        |
| <b>Total fees and charges – statutory/regulatory</b>                        |        | <b>31</b>                 | <b>79</b>                 |
| <b>Total other user charges and fees</b>                                    |        | <b>31</b>                 | <b>79</b>                 |
| <b>Total user charges and fees</b>  |        | <b>31</b>                 | <b>79</b>                 |
| <b>Timing of revenue recognition for user charges and fees</b>              |        |                           |                           |
| User charges and fees recognised over time (1)                              |        | –                         | –                         |
| User charges and fees recognised at a point in time (2)                     |        | 31                        | 79                        |
| <b>Total user charges and fees</b>  |        | <b>31</b>                 | <b>79</b>                 |

#### 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 | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|--------|---------------------------|---------------------------|
| Insurance claims recoveries                            | 2      | 5                         | 5                         |
| <b>Total other revenue</b>                             |        | <b>5</b>                  | <b>5</b>                  |
| <b>Timing of revenue recognition for other revenue</b> |        |                           |                           |
| Other revenue recognised over time (1)                 |        | –                         | –                         |
| Other revenue recognised at a point in time (2)        |        | 5                         | 5                         |
| <b>Total other revenue</b>                             |        | <b>5</b>                  | <b>5</b>                  |

#### 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<br>2025<br>Actual<br>\$ '000 | Operating<br>2024<br>Actual<br>\$ '000 | Capital<br>2025<br>Actual<br>\$ '000 | Capital<br>2024<br>Actual<br>\$ '000 |
|--|--------|--|--|--------------------------------------|--------------------------------------|
|  | Timing |  |  |                                      |                                      |
| <b>Special purpose grants and non-developer contributions (tied)</b>       |        |  |  |                                      |                                      |
| <b>Cash contributions</b>  |        |  |  |                                      |                                      |
| <b>Previously specific grants:</b>   |        |  |  |                                      |                                      |
| Noxious weeds  | 2      | 593                                    | 853                                    | –                                    | –                                    |
| <b>Previously contributions:</b>   |        |  |  |                                      |                                      |
| Other councils – joint works/services                                      | 2      | 617                                    | 589                                    | –                                    | –                                    |
| <b>Total special purpose grants and non-developer contributions – cash</b> |        | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |
| <b>Total special purpose grants and non-developer contributions (tied)</b> |        | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |
| <b>Total grants and non-developer contributions</b>                        |        | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |
| <b>Comprising:</b>   |        |  |  |                                      |                                      |
| – Other funding  |        | 617                                    | 589                                    | –                                    | –                                    |
| – State funding  |        | 593                                    | 853                                    | –                                    | –                                    |
|  |        | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |

|  |  | Operating<br>2025<br>Actual<br>\$ '000 | Operating<br>2024<br>Actual<br>\$ '000 | Capital<br>2025<br>Actual<br>\$ '000 | Capital<br>2024<br>Actual<br>\$ '000 |
|--|--|--|--|--------------------------------------|--------------------------------------|
| <b>Total grants and contributions</b>                      |  |  |  |                                      |                                      |
|  |  | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |
| <b>Timing of revenue recognition</b>                       |  |  |  |                                      |                                      |
| Grants and contributions recognised over time (1)          |  | –                                      | –                                      | –                                    | –                                    |
| Grants and contributions recognised at a point in time (2) |  | 1,210                                  | 1,442                                  | –                                    | –                                    |
| <b>Total grants and contributions</b>                      |  | <b>1,210</b>                           | <b>1,442</b>                           | <b>–</b>                             | <b>–</b>                             |

## 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<br>2025<br>Actual<br>\$ '000 | Operating<br>2024<br>Actual<br>\$ '000 | Capital<br>2025<br>Actual<br>\$ '000 | Capital<br>2024<br>Actual<br>\$ '000 |
|---|--|--|--------------------------------------|--------------------------------------|
| <b>Unspent grants and contributions</b>   |  |  |                                      |                                      |
| Unspent funds at 1 July   | 369                                    | 231                                    | –                                    | –                                    |
| <b>Add:</b> operating grants recognised in the current period but not yet spent                           | 245                                    | 329                                    | –                                    | –                                    |
| <b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year | (337)                                  | (191)                                  | –                                    | –                                    |
| <b>Unspent funds at 30 June</b>   | <b>277</b>                             | <b>369</b>                             | <b>–</b>                             | <b>–</b>                             |

## 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

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
| <b>Interest on financial assets measured at amortised cost</b> |                           |                           |
| – Cash and investments   | 62                        | 37                        |
| <b>Total interest and investment income (losses)</b>           | <b>62</b>                 | <b>37</b>                 |

## B2-5 Other income

### Rental income

|                           |           |           |
|---------------------------|-----------|-----------|
| Room/Facility Hire        | 19        | 18        |
| <b>Total other income</b> | <b>19</b> | <b>18</b> |

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
| Salaries and wages                             | 627                       | 501                       |
| Travel expenses                                | 4                         | 6                         |
| Employee leave entitlements (ELE)              | 57                        | 153                       |
| Superannuation                                 | 73                        | 66                        |
| Workers' compensation insurance                | 12                        | 11                        |
| Training costs (other than salaries and wages) | 6                         | 7                         |
| Protective clothing                            | 1                         | 3                         |
| <b>Total employee costs</b>                    | <b>780</b>                | <b>747</b>                |
| <b>Total employee costs expensed</b>           | <b>780</b>                | <b>747</b>                |

#### 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 | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|---|-------|---------------------------|---------------------------|
| Raw materials and consumables                       |       | 220                       | 131                       |
| Contractor costs                                    |       | –                         | 212                       |
| Audit Fees  | E2-1  | 19                        | 21                        |
| <b>Previously other expenses:</b>                   |       |                           |                           |
| Councillor and Mayoral fees and associated expenses | E1-2  | 32                        | 46                        |
| Advertising   |       | 2                         | 6                         |
| Computer software charges                           |       | 21                        | 17                        |
| Insurance   |       | 78                        | 76                        |
| Office expenses (including computer expenses)       |       | 48                        | 60                        |
| Postage   |       | 1                         | 1                         |
| Printing and stationery                             |       | 4                         | 7                         |
| Telephone and communications                        |       | 10                        | 8                         |
| Plant expenses                                      |       | 97                        | 104                       |
| Regional meeting expenses                           |       | 1                         | 8                         |
| Membership  |       | 6                         | 5                         |
| <b>Total materials and services</b>                 |       | <b>539</b>                | <b>702</b>                |
| <b>Total materials and services</b>                 |       | <b>539</b>                | <b>702</b>                |

## B3-3 Borrowing costs

### (i) Interest bearing liability costs

|  |          |          |
|--|----------|----------|
| Interest on leases                                     | 1        | 2        |
| <b>Total interest bearing liability costs</b>          | <b>1</b> | <b>2</b> |
| <b>Total interest bearing liability costs expensed</b> | <b>1</b> | <b>2</b> |
| <b>Total borrowing costs expensed</b>                  | <b>1</b> | <b>2</b> |

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

|   | Notes | 2025<br>\$ '000 | 2024<br>\$ '000 |
|---|-------|-----------------|-----------------|
| <b>Depreciation and amortisation</b>  |       |                 |                 |
| Plant and equipment   |       | 75              | 80              |
| Office equipment  |       | –               | 2               |
| <b>Infrastructure:</b>  | C1-6  |                 |                 |
| – Buildings (non-specialised)   |       | 14              | 12              |
| Right of use assets   | C2-1  | 20              | 21              |
| <b>Total gross depreciation and amortisation costs</b>                          |       | <b>109</b>      | <b>115</b>      |
| <b>Total depreciation and amortisation costs</b>                                |       | <b>109</b>      | <b>115</b>      |
| <b>Total depreciation, amortisation and impairment for non-financial assets</b> |       | <b>109</b>      | <b>115</b>      |

### 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 | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|---|-------|---------------------------|---------------------------|
| <b>Gain (or loss) on disposal of term deposits</b>            |       |                           |                           |
| Proceeds from disposal/redemptions/maturities – term deposits | C1-2  | 900                       | 1,000                     |
| Less: carrying amount of term deposits sold/redeemed/matured  |       | (900)                     | (1,000)                   |
| <b>Gain (or loss) on disposal</b>                             |       | <b>–</b>                  | <b>–</b>                  |
| <b>Net gain (or loss) from disposal of assets</b>             |       | <b>–</b>                  | <b>–</b>                  |

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 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  | 2025<br>Budget | 2025<br>Actual | 2025<br>----- Variance ----- |                 |
|--|----------------|----------------|------------------------------|-----------------|
| <b>Revenues</b>  |                |                |                              |                 |
| <b>User charges and fees</b>   | <b>114</b>     | <b>31</b>      | <b>(83)</b>                  | <b>(73)% U</b>  |
| Actual private works income was less than the original budget predictions.   |                |                |                              |                 |
| <b>Other revenues</b>  | <b>5</b>       | <b>5</b>       | <b>–</b>                     | <b>0% F</b>     |
| <b>Operating grants and contributions</b>  | <b>1,242</b>   | <b>1,210</b>   | <b>(32)</b>                  | <b>(3)% U</b>   |
| <b>Interest and investment revenue</b>   | <b>36</b>      | <b>62</b>      | <b>26</b>                    | <b>72% F</b>    |
| Council invested more in term deposits during the year which resulted in higher interest returns than budgeted.          |                |                |                              |                 |
| <b>Net gains from disposal of assets</b>   | <b>5</b>       | <b>–</b>       | <b>(5)</b>                   | <b>(100)% U</b> |
| Council did not dispose of any assets during the year.   |                |                |                              |                 |
| <b>Other income</b>  | <b>–</b>       | <b>19</b>      | <b>19</b>                    | <b>∞ F</b>      |
| Income for renting office space was not included in the budget.  |                |                |                              |                 |
| <b>Expenses</b>  |                |                |                              |                 |
| <b>Employee benefits and on-costs</b>  | <b>635</b>     | <b>780</b>     | <b>(145)</b>                 | <b>(23)% U</b>  |
| Salaries and wages were higher than budget due to additional staff and pay rises.  |                |                |                              |                 |
| <b>Materials and services</b>  | <b>711</b>     | <b>539</b>     | <b>172</b>                   | <b>24% F</b>    |
| Materials and services were lower than budget due to not spending all grant funds on the weeds programs during the year. |                |                |                              |                 |
| <b>Borrowing costs</b>   | <b>–</b>       | <b>1</b>       | <b>(1)</b>                   | <b>∞ U</b>      |
| Interest component of right of use asset for the building lease was not included in the budget.                          |                |                |                              |                 |
| <b>Depreciation, amortisation and impairment of non-financial assets</b>   | <b>85</b>      | <b>109</b>     | <b>(24)</b>                  | <b>(28)% U</b>  |
| Depreciation was higher than budget due to the budget not taking into account depreciation on right of use assets.       |                |                |                              |                 |

**B5-1 Material budget variations (continued)**

|         | 2025   | 2025   | 2025                 |
|---------|--------|--------|----------------------|
| \$ '000 | Budget | Actual | ----- Variance ----- |

**Statement of cash flows**

|   |           |           |           |            |          |
|---|-----------|-----------|-----------|------------|----------|
| <b>Cash flows from operating activities</b> | <b>26</b> | <b>51</b> | <b>25</b> | <b>96%</b> | <b>F</b> |
|---|-----------|-----------|-----------|------------|----------|

Grants and contributions income was less than estimated in the budget, which lead to payments to employees and materials and services being less than estimated in the budget.

|   |             |              |              |             |          |
|---|-------------|--------------|--------------|-------------|----------|
| <b>Cash flows from investing activities</b> | <b>(60)</b> | <b>(500)</b> | <b>(440)</b> | <b>733%</b> | <b>U</b> |
|---|-------------|--------------|--------------|-------------|----------|

Council increased its investment in term deposits which was not budgeted and did not purchase any new plant and equipment during the year.

|   |            |             |             |             |          |
|---|------------|-------------|-------------|-------------|----------|
| <b>Cash flows from financing activities</b> | <b>(5)</b> | <b>(19)</b> | <b>(14)</b> | <b>280%</b> | <b>U</b> |
|---|------------|-------------|-------------|-------------|----------|

Principal component of lease payments was higher than budget due to the budget not including the Walgett building lease.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

|   | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|---|---------------------------|---------------------------|
| Cash assets   |                           |                           |
| Cash on hand and at bank  | 448                       | 916                       |
| Total cash and cash equivalents                                     | 448                       | 916                       |
| Reconciliation of cash and cash equivalents                         |                           |                           |
| Total cash and cash equivalents per Statement of Financial Position | 448                       | 916                       |
| Balance as per the Statement of Cash Flows                          | 448                       | 916                       |



## C1-2 Financial investments

|  | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|--|--------------------------------------|--|--------------------------------------|--|
| <b>Debt securities at amortised cost</b>                   |                                      |  |                                      |  |
| Long term deposits   | 1,000                                | –  | 500                                  | –  |
| <b>Total</b>   | <b>1,000</b>                         | <b>–</b>                                 | <b>500</b>                           | <b>–</b>                                 |
| <b>Total financial investments</b>                         | <b>1,000</b>                         | <b>–</b>                                 | <b>500</b>                           | <b>–</b>                                 |
| <b>Total cash assets, cash equivalents and investments</b> | <b>1,448</b>                         | <b>–</b>                                 | <b>1,416</b>                         | <b>–</b>                                 |

### 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

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
| (a) Externally restricted cash, cash equivalents and investments                   |                           |                           |
| <b>Total cash, cash equivalents and investments</b>                                | <b>1,448</b>              | <b>1,416</b>              |
| Less: Externally restricted cash, cash equivalents and investments                 | (277)                     | (369)                     |
| <b>Cash, cash equivalents and investments not subject to external restrictions</b> | <b>1,171</b>              | <b>1,047</b>              |

### External restrictions

#### External restrictions

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

|   |            |            |
|---|------------|------------|
| Specific purpose unexpended grants (recognised as revenue) – general fund | 277        | 369        |
| <b>Total external restrictions</b>  | <b>277</b> | <b>369</b> |

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.

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
|--|---------------------------|---------------------------|

## (b) Internal allocations

|  |              |              |
|--|--------------|--------------|
| <b>Cash, cash equivalents and investments not subject to external restrictions</b> | <b>1,171</b> | <b>1,047</b> |
| Less: Internally restricted cash, cash equivalents and investments                 | (194)        | (171)        |
| <b>Unrestricted and unallocated cash, cash equivalents and investments</b>         | <b>977</b>   | <b>876</b>   |

### Internal allocations

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

|                                   |            |            |
|-----------------------------------|------------|------------|
| Plant and vehicle replacement     | 58         | 49         |
| Employees leave entitlement       | 116        | 102        |
| Building                          | 20         | 20         |
| <b>Total internal allocations</b> | <b>194</b> | <b>171</b> |

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

## C1-4 Receivables

|                              | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|------------------------------|--------------------------------------|--|--------------------------------------|--|
| User charges and fees        | –                                    | –  | 12                                   | –  |
| Accrued revenues             |                                      |  |                                      |  |
| – Interest on investments    | 9                                    | –  | 5                                    | –  |
| Net GST receivable           | 11                                   | –  | 13                                   | –  |
| <b>Total</b>                 | <b>20</b>                            | <b>–</b>                                 | <b>30</b>                            | <b>–</b>                                 |
| <b>Total net receivables</b> | <b>20</b>                            | <b>–</b>                                 | <b>30</b>                            | <b>–</b>                                 |

### 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

|                                  | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|----------------------------------|--------------------------------------|--|--------------------------------------|--|
| <b>(i) Inventories at cost</b>   |                                      |  |                                      |  |
| Stores and materials             | 32                                   | –  | 40                                   | –  |
| <b>Total inventories at cost</b> | <b>32</b>                            | <b>–</b>                                 | <b>40</b>                            | <b>–</b>                                 |
| <b>Total inventories</b>         | <b>32</b>                            | <b>–</b>                                 | <b>40</b>                            | <b>–</b>                                 |

### 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<br>asset class                               | Asset movements during the reporting period |  |                           |                         |                             |  |                           |
|--|---|--|---------------------------|-------------------------|-----------------------------|--|---------------------------|
|  | At 1 July 2024                              |  |                           | Depreciation<br>expense | At 30 June 2025             |  |                           |
|  | Gross<br>carrying<br>amount                 | Accumulated<br>depreciation<br>and<br>impairment | Net<br>carrying<br>amount |                         | Gross<br>carrying<br>amount | Accumulated<br>depreciation<br>and<br>impairment | Net<br>carrying<br>amount |
|  | \$ '000                                     | \$ '000  | \$ '000                   |                         | \$ '000                     | \$ '000  | \$ '000                   |
| Plant and equipment  | 435   | (252)  | 183                       | (75)                    | 434                         | (326)  | 108                       |
| Office equipment   | 56  | (56)   | –                         | –                       | 56                          | (56)   | –                         |
| <b>Land:</b>   |   |  |                           |                         |                             |  |                           |
| – Operational land   | 39  | –  | 39                        | –                       | 39                          | –  | 39                        |
| <b>Infrastructure:</b>                                     |   |  |                           |                         |                             |  |                           |
| – Buildings – non-specialised                              | 534   | (228)  | 306                       | (14)                    | 534                         | (242)  | 292                       |
| <b>Total infrastructure, property, plant and equipment</b> | <b>1,064</b>                                | <b>(536)</b>                                     | <b>528</b>                | <b>(89)</b>             | <b>1,063</b>                | <b>(624)</b>                                     | <b>439</b>                |

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

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

## 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   | <b>Buildings</b>   |           |
| 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

|                           | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|---------------------------|--------------------------------------|--|--------------------------------------|--|
| Prepayments               | 5                                    | –  | 3                                    | –  |
| <b>Total other assets</b> | <b>5</b>                             | <b>–</b>                                 | <b>3</b>                             | <b>–</b>                                 |

## 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 leases in Coonamble and Walgett.

#### Buildings

Council leases a depot building in Coonamble and office in Walgett. 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<br>Actual<br>\$ '000 | Total<br>Actual<br>\$ '000 |
|----------------------------------|-----------------------------------|----------------------------|
| <b>2025</b>                      |                                   |                            |
| Opening balance at 1 July        | 49                                | 49                         |
| Depreciation charge              | (20)                              | (20)                       |
| <b>Balance at 30 June</b>        | <b>29</b>                         | <b>29</b>                  |
| <b>2024</b>                      |                                   |                            |
| Opening balance at 1 July        | 10                                | 10                         |
| Additions to right-of-use assets | 60                                | 60                         |
| Depreciation charge              | (21)                              | (21)                       |
| <b>Balance at 30 June</b>        | <b>49</b>                         | <b>49</b>                  |

#### (b) Lease liabilities

|                                | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|--------------------------------|--------------------------------------|--|--------------------------------------|--|
| Lease liabilities              | 15                                   | 16                                       | 19                                   | 31                                       |
| <b>Total lease liabilities</b> | <b>15</b>                            | <b>16</b>                                | <b>19</b>                            | <b>31</b>                                |

## 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<br>Actual<br>\$ '000 | 1 – 5 years<br>Actual<br>\$ '000 | > 5 years<br>Actual<br>\$ '000 | Total<br>Actual<br>\$ '000 | Total per<br>Statement of<br>Financial<br>Position<br>Actual<br>\$ '000 |
|-------------|-------------------------------|----------------------------------|--------------------------------|----------------------------|---|
| <b>2025</b> |                               |                                  |                                |                            |   |
| Cash flows  | 16                            | 16                               | –                              | 32                         | 31  |
| <b>2024</b> |                               |                                  |                                |                            |   |
| Cash flows  | 21                            | 31                               | –                              | 52                         | 50  |

### (d) Income Statement

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

|                                     | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|-------------------------------------|---------------------------|---------------------------|
| Interest on lease liabilities       | 1                         | 2                         |
| Depreciation of right of use assets | 20                        | 21                        |
|                                     | <b>21</b>                 | <b>23</b>                 |

### (e) Statement of Cash Flows

|                               |           |           |
|-------------------------------|-----------|-----------|
| Total cash outflow for leases | 19        | 20        |
|                               | <b>19</b> | <b>20</b> |

### 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

|                              | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>\$ '000 |
|------------------------------|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| Accrued expenses:            |                                      |                                |                                      |                                |
| – Salaries and wages         | 3                                    | –                              | –                                    | –                              |
| – Other expenditure accruals | 62                                   | –                              | 76                                   | –                              |
| <b>Total payables</b>        | <b>65</b>                            | <b>–</b>                       | <b>76</b>                            | <b>–</b>                       |

#### Payables

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

### C3-2 Employee benefit provisions

|  | 2025<br>Current<br>Actual<br>\$ '000 | 2025<br>Non-current<br>Actual<br>\$ '000 | 2024<br>Current<br>Actual<br>\$ '000 | 2024<br>Non-current<br>Actual<br>\$ '000 |
|--|--------------------------------------|--|--------------------------------------|--|
| Annual leave                             | 129                                  | –  | 122                                  | –  |
| Long service leave                       | 163                                  | 3  | 134                                  | –  |
| <b>Total employee benefit provisions</b> | <b>292</b>                           | <b>3</b>                                 | <b>256</b>                           | <b>–</b>                                 |

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

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. |                           |                           |
| Provisions – employees benefits  | 211                       | 183                       |
|  | <b>211</b>                | <b>183</b>                |

#### Description of and movements in provisions

|  | ELE provisions          |                                  |                  |
|--|-------------------------|----------------------------------|------------------|
|  | Annual leave<br>\$ '000 | Long service<br>leave<br>\$ '000 | Total<br>\$ '000 |
| <b>2025</b>                                |                         |                                  |                  |
| At beginning of year                       | 122                     | 134                              | 256              |
| Additional provisions                      | 55                      | 32                               | 87               |
| Amounts used (payments)                    | (48)                    | –                                | (48)             |
| <b>Total ELE provisions at end of year</b> | <b>129</b>              | <b>166</b>                       | <b>295</b>       |
| <b>2024</b>                                |                         |                                  |                  |
| At beginning of year                       | 83                      | 88                               | 171              |
| Additional provisions                      | 70                      | 49                               | 119              |
| Amounts used (payments)                    | (31)                    | (3)                              | (34)             |
| <b>Total ELE provisions at end of year</b> | <b>122</b>              | <b>134</b>                       | <b>256</b>       |

## C3-2 Employee benefit provisions (continued)

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### 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

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#### IPPE Revaluation Surplus

The infrastructure, property, plant and equipment (IPPE) revaluation surplus 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<br>2025<br>\$ '000 | Carrying value<br>2024<br>\$ '000 | Fair value<br>2025<br>\$ '000 | Fair value<br>2024<br>\$ '000 |
|-------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| <b>Financial assets</b>             |                                   |                                   |                               |                               |
| <b>Measured at amortised cost</b>   |                                   |                                   |                               |                               |
| Cash and cash equivalents           | 448                               | 916                               | 448                           | 916                           |
| Receivables                         | 20                                | 30                                | 20                            | 30                            |
| Investments                         |                                   |                                   |                               |                               |
| – Debt securities at amortised cost | 1,000                             | 500                               | 1,000                         | 500                           |
| <b>Total financial assets</b>       | <b>1,468</b>                      | <b>1,446</b>                      | <b>1,468</b>                  | <b>1,446</b>                  |
| <b>Financial liabilities</b>        |                                   |                                   |                               |                               |
| Payables                            | 65                                | 76                                | 65                            | 76                            |
| <b>Total financial liabilities</b>  | <b>65</b>                         | <b>76</b>                         | <b>65</b>                     | <b>76</b>                     |

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 it's 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 there 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

|  | 2025<br>\$ '000 | 2024<br>\$ '000 |
|--|-----------------|-----------------|
| The impact on the 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  | 14              | 12              |
| 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<br>average<br>interest<br>rate<br>% | Subject<br>to no<br>maturity<br>\$ '000 | ≤ 1 Year<br>\$ '000 | payable in:<br>1 - 5<br>Years<br>\$ '000 | > 5 Years<br>\$ '000 | Total cash<br>outflows<br>\$ '000 | Actual<br>carrying<br>values<br>\$ '000 |
|------------------------------------|--|---|---------------------|--|----------------------|-----------------------------------|---|
| <b>2025</b>                        |  |   |                     |  |                      |                                   |   |
| Payables                           | 0.00%  | –                                       | 65                  | –  | –                    | 65                                | 65                                      |
| Lease liabilities                  | 0.00%  | –                                       | 16                  | 16                                       | –                    | 32                                | 31                                      |
| <b>Total financial liabilities</b> |  | <b>–</b>                                | <b>81</b>           | <b>16</b>                                | <b>–</b>             | <b>97</b>                         | <b>96</b>                               |
| <b>2024</b>                        |  |   |                     |  |                      |                                   |   |
| Payables                           | 0.00%  | –                                       | 76                  | –  | –                    | 76                                | 76                                      |
| Lease liabilities                  | 0.00%  | –                                       | 21                  | 31                                       | –                    | 52                                | 50                                      |
| <b>Total financial liabilities</b> |  | <b>–</b>                                | <b>97</b>           | <b>31</b>                                | <b>–</b>             | <b>128</b>                        | <b>126</b>                              |

## 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:

| Fair value measurement hierarchy                           |                          |          |                                       |          |   |            |            |            |
|--|--------------------------|----------|---------------------------------------|----------|---|------------|------------|------------|
| Notes  | Date of latest valuation |          | Level 2 Significant observable inputs |          | Level 3 Significant unobservable inputs |            | Total      |            |
|  | 2025                     | 2024     | 2025                                  | 2024     | 2025                                    | 2024       | 2025       | 2024       |
|  | \$ '000                  | \$ '000  | \$ '000                               | \$ '000  | \$ '000                                 | \$ '000    | \$ '000    | \$ '000    |
| <b>Recurring fair value measurements</b>                   |                          |          |                                       |          |   |            |            |            |
| <b>Infrastructure, property, plant and equipment</b>       | C1-6                     |          |                                       |          |   |            |            |            |
| Plant and Office Equipment                                 | 30/06/25                 | 30/06/24 | –                                     | –        | 108                                     | 183        | 108        | 183        |
| Operational Land   | 30/06/24                 | 30/06/24 | –                                     | –        | 39                                      | 39         | 39         | 39         |
| Buildings (non specialised)                                | 30/06/24                 | 30/06/24 | –                                     | –        | 292                                     | 306        | 292        | 306        |
| <b>Total infrastructure, property, plant and equipment</b> |                          |          | <b>–</b>                              | <b>–</b> | <b>439</b>                              | <b>528</b> | <b>439</b> | <b>528</b> |

## D3-1 Contingencies

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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:

|                      | 2025       | 2024       |
|----------------------|------------|------------|
|                      | \$ '000    | \$ '000    |
| <b>Compensation:</b> |            |            |
| Short-term benefits  | 111        | 104        |
| <b>Total</b>         | <b>111</b> | <b>104</b> |

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

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '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  | 18                        | 20                        |
| Member’s expenses (incl. chairperson) – other (excluding fees above)   | 10                        | 22                        |
| Total  | 32                        | 46                        |



E2 Other relationships

E2-1 Audit fees

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '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            | 19 | 21 |
| Remuneration for audit and other assurance services | 19 | 21 |
| Total Auditor-General remuneration                  | 19 | 21 |
| Total audit fees                                    | 19 | 21 |

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

|  | 2025<br>Actual<br>\$ '000 | 2024<br>Actual<br>\$ '000 |
|--|---------------------------|---------------------------|
| <b>Net operating result from Income Statement</b>                          | <b>(102)</b>              | 15                        |
| <b>Add / (less) non-cash items:</b>  |                           |                           |
| Depreciation and amortisation  | 109                       | 115                       |
| <b>Movements in operating assets and liabilities and other cash items:</b> |                           |                           |
| (Increase) / decrease of receivables                                       | 10                        | 75                        |
| (Increase) / decrease of inventories                                       | 8                         | 39                        |
| Decrease/(increase) in other assets  | (2)                       | (3)                       |
| Increase / (decrease) in other accrued expenses payable                    | (11)                      | 29                        |
| Increase/(decrease) in employee leave entitlements                         | 39                        | 85                        |
| <b>Net cash flows from operating activities</b>                            | <b>51</b>                 | <b>355</b>                |

### F2-1 Events occurring after the reporting date

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

**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 2025, the Statement of Financial Position as at 30 June 2025, 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 the Division
  - are, in all material respects, consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2025, 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 2025 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](http://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'
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- 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

29 October 2025  
SYDNEY



Cr Doug Batten  
Chairperson  
Castlereagh Macquarie County Council  
PO Box 664  
WALGETT NSW 282

Contact: Manuel Moncada  
Phone no: 02 9275 7333  
Our ref: R008-1981756498-6769

29 October 2025

Dear Chairperson

**Report on the Conduct of the Audit**  
**for the year ended 30 June 2025**  
**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 2025 as required by section 415 of the *Local Government Act 1993* (the Act).

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

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation 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.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2024-25
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Financial performance

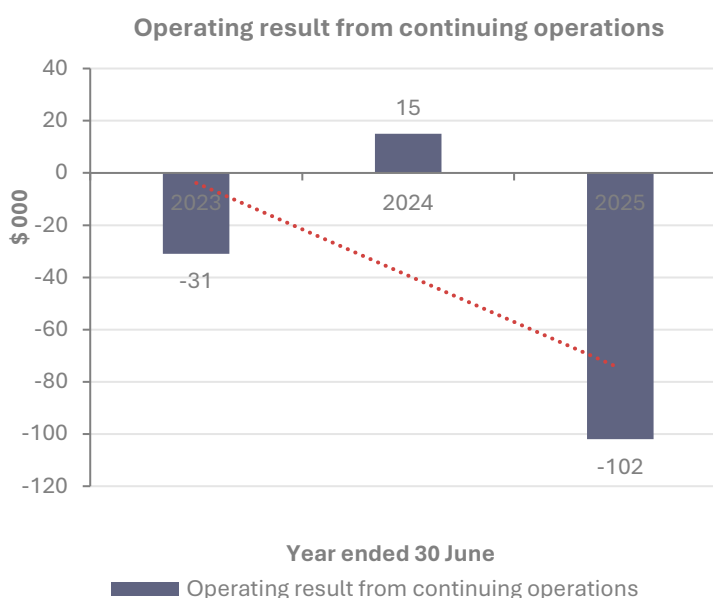
|  | 2025  | 2024  | Variance |
|--|-------|-------|----------|
|  | \$000 | \$000 | %        |
| Grants and contributions provided for operating purposes revenue | 1,210 | 1,442 | 16       |
| Operating result from continuing operations                      | (102) | 15    | 780      |

### Operating result from continuing operations

This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$117,000 lower than the 2023–24 result.

The decrease in the operating result is due to reduced revenue from grants and contributions.



## CASH FLOWS

### Statement of cash flows

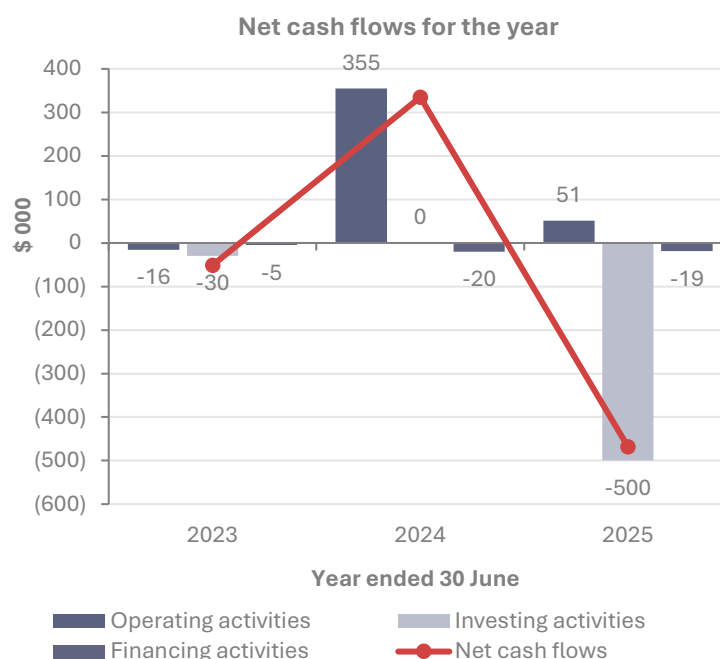
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash outflows for the year were \$468,000 (inflow of \$335,000 in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by \$304,000, mainly due to reduced revenue
- used in investing activities increased by \$500,000, due to increased purchases of investments in long term deposits
- used in financing activities decreased by \$1,000.



## FINANCIAL POSITION

### Cash, cash equivalents and investments

This section of the Report provides details of the amount of cash, cash equivalents and investments recorded by the Council at 30 June 2025.

Externally restricted funds are the cash, cash equivalents and investments that can only be used for specific purposes due to legal or contractual restrictions.

Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

| Cash, cash equivalents and investments                           | 2025         | 2024         | Percentage of total cash and investments 2025 | Commentary  |
|--|--------------|--------------|---|---|
|  | \$000        | \$000        | %   |   |
| <b>Total cash, cash equivalents and investments</b>              | <b>1,448</b> | <b>1,416</b> |   | Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below.<br><br>Internal allocations are determined by council policies or decisions, which are subject to change. |
| Restricted and allocated cash, cash equivalents and investments: |              |              |   |   |
| • External restrictions  | 277          | 369          | 19  |   |
| • Internal allocations   | 194          | 171          | 13  |   |

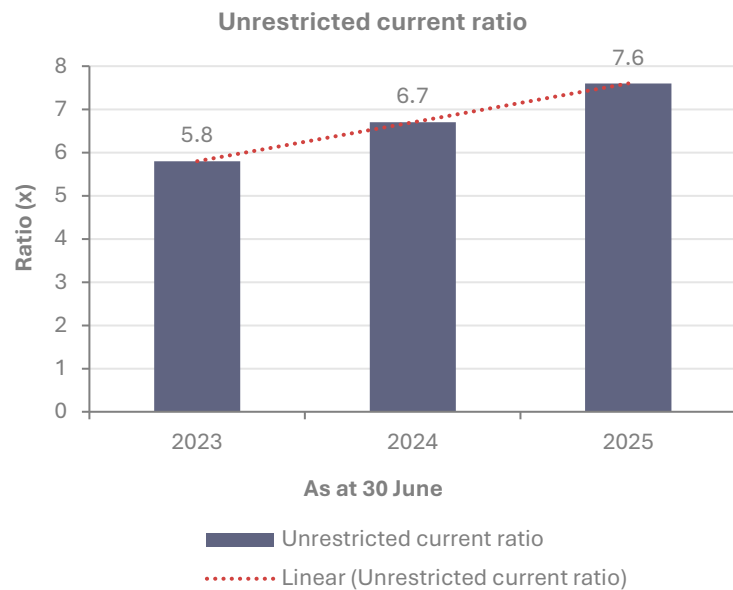


## Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

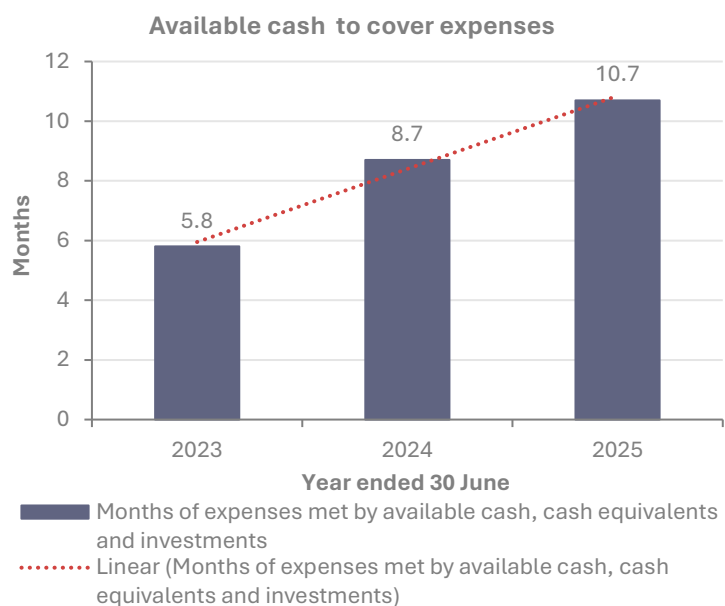
The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The ratio measures the ratio of unrestricted current assets to specific purpose liabilities.

In 2023-24, the average unrestricted current ratio was an average of 5.6x for rural councils.



This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

In 2023-24, the available cash to cover expenses was an average of 8 months for rural councils.



Manuel Moncada  
Director - Financial Audit

Delegate of the Auditor-General