

**Upper Macquarie County Council
General Purpose Financial Statements
for the year ended 30 June 2020**

**Upper Macquarie County Council
General purpose financial statements
for the year ended 30 June 2020**

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

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Local Government Act 1993 and the Regulations made thereunder.
- The Australian Accounting Standards and professional pronouncements.
- 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, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 31 July 2020.



Member Cr Ian North
Chairperson



Member Cr Andrew McKibbin
Deputy Chairperson

David Young

David Young
General Manager & Responsible Accounting Officer

Upper Macquarie County Council

General purpose financial statements

for the year ended 30 June 2020

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These financial statements are general purpose financial statements of Upper Macquarie County Council and its controlled entities and are presented in the Australian currency.

Upper Macquarie County Council is constituted under the Local Government Act 1993 and has its principal place of business at:

Upper Macquarie County Council
7 Lee Street
Kelso NSW 2795.

The financial statements were authorised for issue by the Council on 11 August 2020. Council has the power to amend and reissue the financial statements.

Upper Macquarie County Council

Income statement

for the year ended 30 June 2020

Original budget (1) 2020 \$'000	Notes	Actual 2020 \$'000	Actual 2019 \$'000
Income from continuing operations			
<i>Revenue:</i>			
598	3a	249	427
20	3b	18	22
-	3c	20	17
981	3d,e	989	970
-	3d,e	-	-
<i>Other Income:</i>			
-	5	-	-
1,599		1,276	1,436
Income from continuing operations			
<i>Expenses from continuing operations</i>			
637	4a	637	633
761	4b	431	549
51	4c	48	53
147	4d	116	100
1,596		1,232	1,335
Expenses from continuing operations			
3		44	101
Operating result from continuing operations			
3		44	101
Net operating result for the year			
<i>Attributable to:</i>			
3		44	101
– Council			
3		44	101
Net operating result for the year before grants and contributions provided for capital purposes			

Note:

(1) Original budget as approved by Council – refer Note 17

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

Upper Macquarie County Council

Statement of comprehensive income

for the year ended 30 June 2020

	Notes	Actual 2020 \$'000	Actual 2019 \$'000
Net operating result for the year – from Income statement		44	101
Other comprehensive income			
<i>Nil</i>			
Total other comprehensive income for the year		44	101
Total comprehensive income for the year		44	101
<i>Attributable to</i>			
<i>– Council</i>		44	101

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Upper Macquarie County Council
Statement of financial position
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	1,107	993
Receivables	7	18	89
Inventories	8	33	39
Prepayments	8	10	4
Total current assets		1,168	1,125
Non-current assets			
Infrastructure, property, plant and equipment	9	92	124
Total non-current assets		92	124
Total assets		1,260	1,249
LIABILITIES			
Current liabilities			
Payables	11	47	98
Contract liabilities	10	44	-
Provisions	12	118	113
Total current liabilities		209	211
Non-current liabilities			
Provisions	12	22	13
Total non-current liabilities		22	13
Total liabilities		231	224
Net assets		1,029	1,025
EQUITY			
Retained earnings	13	1,029	1,025
Total equity		1,029	1,025

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

Upper Macquarie County Council
Statement of changes in equity
for the year ended 30 June 2020

	Retained earnings	Council equity interest	Total equity
\$'000			
2020			
Opening balance	1,025	1,025	1,025
Changes to due to AASB 1058 and AASB 15 adoption (Note 13)	(40)	(40)	(40)
Restated opening balance	985	985	985
Net operating result for the year	44	44	44
Closing balance	1,029	1,029	1,029
\$'000			
2019			
Opening balance	924	924	924
Restated opening balance	924	924	924
Net operating result for the year	101	101	101
Closing balance	1,025	1,025	1,025

The above Statement of changes in equity should be read in conjunction with accompanying note 13.

Upper Macquarie County Council
Statement of cash flows
for the year ended 30 June 2020

Original budget (1) 2020 \$'000	Notes	Actual 2020 \$'000	Actual 2019 \$'000
Cash flows from operating activities			
<i>Receipts:</i>			
598	User charges and fees	320	342
20	Investment revenue and interest	18	22
981	Grants and contributions	993	970
-	Other	20	17
<i>Payments:</i>			
(637)	Employee benefits and on-costs	(622)	(600)
(761)	Materials and contracts	(483)	(474)
(147)	Other	(116)	(100)
54	Net cash provided (or used) in operating activities	130	177
Cash flows from investing activities			
<i>Receipts:</i>			
-	Sale of infrastructure, property, plant and equipment	-	-
<i>Payments:</i>			
-	Purchase of infrastructure, property, plant and equipment	(16)	(2)
-	Net cash provided by (or used in) Investing activities	(16)	(2)
54	Net increase/(decrease) in cash and cash equivalents	114	175
765	Cash and cash equivalents at beginning of reporting period	993	818
819	Cash and cash equivalents at end of reporting period	1,107	993

The above Statement of cash flow should be read in conjunction with the accompanying notes.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

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Upper Macquarie County Council

Notes to the financial statements for the year ended 30 June 2020

Note 1 Basis of preparation

Basis of preparation

These financial statements were authorised for issue by Council on 11 August 2020.

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 these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These 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 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

(a) Historical cost convention

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

(b) 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.

Upper Macquarie County Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1 Basis of preparation (continued)

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) employee benefit provisions – refer Note 12

Significant judgements in applying the Council's accounting policies

- (ii) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

(c) Monies and other assets received by Council

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and other assets received by Council is held in the Council's Consolidated Fund.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which that are recoverable from, or payable to the taxation authority are presented as operating cash flows.

(e) New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and which have not been early adopted by Council.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

During the year, NSW Council adopted all standards which were mandatorily effective for the first time at 30 June 2020. The standards which had an impact on reported position, performance or disclosures have been discussed in Note 13.

Upper Macquarie County Council

Notes to the financial statements for the year ended 30 June 2020

Note 2(a) Council functions and activities - Financial information

Functions/Activities	Income from continuing operations		Expenses from continuing operations		Operating results from continuing operations		Total assets held (current and non-current)		Grants included in income from continuing operations	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Governance	-	-	29	28	(29)	(28)	-	-	-	-
Environment	1,258	1,414	1,203	1,307	55	107	1,260	1,249	337	349
General Purpose Income	18	22	-	-	18	22	-	-	-	-
Total functions & activities	1,276	1,436	1,232	1,335	44	101	1,260	1,249	337	349

Note 2(b) Components of functions or activities

Governance

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

Environment

Noxious plants and insect/vermin control, other environmental protection.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 3 Income from continuing operations

	2020 \$'000	2019 \$'000
(a) User charges and fees		
User charges - Chemical Sales	60	146
Total user charges	60	146
Fees		
Section 64 Certificates	5	11
Private works	184	270
Total fees	189	281
Total user charges and fees	249	427

Accounting Policy for User fees and charges

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 service or in some cases, the customer is required to pay in advance of the good or service being provided. Council may be required to provide a refund if the good or service is not provided.

2019 accounting policy

User charges & fees are recognised as revenue when the service has been provided

(b) Interest & Investment Revenue (incl losses)

Interest and Dividends		
– Cash and Investments	18	22
Total interest and investment revenue (losses)⁽¹⁾	18	22

Accounting Policy for Interest & investment revenue

Interest income is recognised using the effective interest rate at the date the interest is earned.

(c) Other revenues

Insurance Rebates	5	5
Bad debts recovered	-	12
Other Income	15	-
Total other revenue	20	17

Accounting Policy for other revenues

Where the revenue relates to a contract with a customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, whichever is earlier.

2019 accounting policy

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council, and specific criteria have been met for each of the activities.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 3 Income from continuing operations (continued)

	Operating Grants		Capital Grants	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(d) Grants				
Special purpose				
Other	343	349	-	-
Total Special Purpose	343	349	-	-
Total Grants	343	349	-	-
Comprising:				
– State funding	343	349	-	-
	343	349	-	-
(e) Contributions				
Local Land Services - Weed Book	-	40	-	-
Constituent Council Contributions	646	581	-	-
Total contributions	646	621	-	-
Total grants and contributions	989	970	-	-
			2020	2019
			\$'000	\$'000

(f) Restrictions relating to grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner:

Operating grants and contributions recognised in the current period that have not been spent	4	40
Operating Grants recognised in previous reporting periods spent in the current reporting period	-	-

Accounting Policy for grants contributions

Account policy from 1 July 2019

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations are varied based on the agreement, but include conducting specific services in relation to dealing with noxious weeds, or supply of agreed deliverables such as publications. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and with grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input method being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 3 Income from continuing operations (continued)

Accounting Policy for grants contributions (continued) Account policy from 1 July 2019 (continued)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at the assets 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

Contributions

Contributions comprise amounts received from constituent councils for the relevant financial year and are recognised as revenue as they become due and payable.

2019 accounting policy

Control over grants and contributions is normally obtained upon their receipt.

Where grants or contributions are obtained on condition that they be expended in a particular manner and those conditions were undischarged at reporting date, the unused grant or contribution is shown above. A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 4 Expenses from continuing operations

	2020 \$'000	2019 \$'000
(a) Employee benefits and on costs		
Salaries and wages	484	476
Employee leave entitlements	79	91
Superannuation	52	50
Workers' Compensation Insurance	9	9
Training costs (excluding salaries)	13	7
Total employee costs expensed	637	633
Accounting Policy for Employee Benefits and on costs		
Employee benefit expenses are recorded when the service has been provided by the employee.		
(b) Materials and contracts		
Raw materials and consumables	211	206
Contractor and consultancy costs (specify material contracts/ consultancies)	200	319
Remuneration of Auditors	18	17
Operating leases	2	7
Total materials and contracts	431	549
Accounting Policy for operating leases		
Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.		
Auditors remuneration		
Auditors of the Council - NSW Auditor General		
(i) Audit and other assurance services		
Audit and review of financial statements	18	17
Total remuneration for audit and other assurance services	18	17
Total fees paid or payable to the Auditor-General	18	17

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 4 Expenses from continuing operations (continued)

	Depreciation		Impairment	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(c) Depreciation, amortisation and impairment				
Plant and equipment	48	53	-	-
Total depreciation and total impairment	48	53	-	-

Accounting Policy for depreciation, amortisation and impairment expenses

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. Useful lives are included in Note 9 for IPPE assets.

Impairment of non-financial assets

Assets 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.

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.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 4 Expenses from continuing operations (continued)

	2020	2019
	\$'000	\$'000
(d) Other expenses		
Other expenses for the year including the following:		
Advertising	2	3
Mayoral fee	8	7
Councillors' fees	16	16
Councillors' (incl. Mayor) expenses	5	5
Insurance	31	31
Printing & Stationery	3	3
Software Licences	24	22
Telephone	7	7
Bad & Doubtful Debts	14	(3)
Other – (specify if material)	6	9
Total other expenses from continuing operations	116	100

Accounting Policy for other expenses

Other expenses are recorded on an accruals basis as the goods or services are received.

Note 5 Gains or losses from the disposal of assets

Gain (or loss) on disposal of Infrastructure, Property, Plant and Equipment

Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-

Gain (or loss) on disposal of IPPE

-	-
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Net gain (or loss) from disposal of assets

-	-
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Accounting Policy for disposal of assets

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is derecognised.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 6 Cash Assets and Investments

	2020		2019	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
(a) Cash & Cash Equivalents				
Cash at bank and on hand	1	-	1	-
Deposits at call	1,106	-	992	-
Total Cash & Cash Equivalents	1,107	-	993	-

Accounting Policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(b) Restricted Cash, Cash Equivalents & Investments

Total cash, cash equivalents and investments	1,107	-	993	-
Comprising:				
External restrictions	44	-	40	-
Internal restrictions	641	-	386	-
Unrestricted	422	-	567	-
	1,107	-	993	-

	2020 restricted cash \$'000	2019 restricted cash \$'000
External restrictions		
Included in liabilities	44	-
Specific purpose unexpended grants	-	40
Total external restrictions	44	40
Internal restrictions		
Plant replacement	97	97
Infrastructure replacement	44	89
Employee leave entitlements	150	150
Carry-over works	350	50
Total internal restrictions	641	386
Total restrictions	685	426

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 7 Receivables

	2020		2019	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
User charges and fees	24	-	90	-
Other debtors	9	-	-	-
GST Due	2	-	2	-
Total	35	-	92	-
Less: Provision for impairment:				
– User charges and fees	(13)	-	-	-
– Other	(4)	-	(3)	-
Total Net Receivables	18	-	89	-
Restricted/ unrestricted receivables				
Unrestricted	18	-	89	-
Total Receivables	18	-	89	-

Accounting Policy for receivables

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in the Statement of Financial Position. Receivables (Note 7) 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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

For debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial asset is more than 90 days past due.

Credit losses are measured at present value as the difference between what is owed and what is expected to be received.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 8 Inventories & Other Assets

	2020		2019	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
Inventories				
Stores and materials	33	-	39	-
Total inventories	33	-	39	-
Other assets				
Prepayments	10	-	4	-
Total other assets	10	-	4	-
Restricted/unrestricted inventories and other assets				
Unrestricted	43	-	43	-
Total inventories and other assets	43	-	43	-

Accounting Policy for inventories and other assets

Stores

Stores are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 9(a) Infrastructure, Property, Plant & Equipment

By asset type	At 30 June 2019			Movements during year				At 30 June 2020	
	Gross Carrying Amount	Accum dephn and impairment	WDV	Additions	WDV of disposals	Depn and impairment	Gross Carrying Amount	Accum dephn and impairment	WDV
Plant and equipment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	328	204	124	16	-	(48)	344	252	92
Buildings – Specialised	21	21	-	-	-	-	21	21	-
Totals	349	225	124	16		(48)	365	273	92

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. The carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation on 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 & Equipment 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Note 9(b) Externally Restricted Infrastructure, Property, Plant & Equipment

Council has no externally restricted Infrastructure, Property, Plant & Equipment.

Note 9(c) Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has not recognised any impairment losses during the reporting period nor reversed any prior period losses.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 10 Contract Liabilities

	2020		2019	
	Current \$'000	Non- Current \$'000	Current \$'000	Non-Current \$'000
Contract Liabilities				
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15 (i)	44	-	-	-
Total Contract Liabilities	44	-	-	-

(i) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

Significant changes in contract liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 received by Council. Previously, revenue was recognised on receipt of the funds.

Accounting Policy for contract liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 11 Payables

	2020		2019	
	Current \$'000	Non- Current \$'000	Current \$'000	Non-Current \$'000
Payables				
Goods and services	10	-	71	-
Accrued wages and salaries - tax deductions	15	-	10	-
Accrued expenses – Other	22	-	17	-
Total payables	47	-	98	-
(a) Liabilities relating to unrestricted assets	47	-	98	-
(b) Current payables not expected to be settled within the next 12 months	-	-	-	-
(c) Financing arrangements				
Undrawn facilities				
The amount relating to undrawn finance facilities available at reporting date is				
			2020	2019
			\$'000	\$'000
- Bank overdraft facility			50	50
			50	50

Accounting Policy for payables

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 12 Provisions

	2020		2019	
	Current	Non-Current	Current	Non-Current
Provisions				
Time in Lieu	4	-	16	-
Annual leave	68	-	53	-
Long service leave	46	22	44	13
Total provisions	118	22	113	13

Current provisions not expected to be settled within the next 12 months Nil

Accounting Policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Short-term obligations: Liabilities for wages and salaries (including non-monetary benefits, annual leave, vesting sick leave and vesting time off in lieu expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave, vesting sick leave and vesting time off in lieu is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

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.

The obligations are presented as current liabilities in the Statement of Financial Position if the council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 13 Equity - Retained earnings and changes in accounting policy

(a) Change in accounting policy due to adoption of new Accounting Standards

During the year ended 30 June 2020, the Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 Construction Contracts, AASB 117 Leases, AASB 118 Revenue, AASB 1004 Contributions and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modifications were minor.

Grants - operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer

Changes in presentation

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain line items to align them with the requirements of AASB 15 and AASB 1058.

Opening contract balances at 1 July 2019

	Balance at 1 July 2019 \$'000
Contract liabilities	
- Under AASB 15	<u>40</u>

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 13 Equity - Retained earnings and changes in accounting policy (continued)

(a) Change in accounting policy due to adoption of new Accounting Standards (continued)

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

Statement of financial position at 30 June 2020

	Carrying amount per Statement of financial position under AASB 15 and AASB 1058 \$'000	Reclassification \$'000	Remeasurement \$'000	Carrying amount under previous standards \$'000	Note
Current liabilities					
Contract liabilities	44	-	(44)	-	(i)
Net assets	1,029	-	44	1,073	(i)
Equity					
Retained earnings	1,029	-	44	1,073	(i)

(i) Funds under AASB 15 which have been received prior to the satisfaction of performance obligations

Income statement for the year ended 30 June 2020

	Income statement and comprehensive income under AASB 15 and AASB 1058 \$'000	Reclassification \$'000	Remeasurement \$'000	Income statement and comprehensive income under previous standards \$'000	Note
Revenue	1276	-	4	1,280	(i)
Profit/(loss) for the year	44	-	4	48	(i)
Total comprehensive income	44	-	4	48	(i)

(i) Difference in revenue between recognition on receipt under the old standards and as/when performance obligations are met under new standards

Statement of cash flows for the year ended 30 June 2020

The adoption of AASB 15 and AASB 1058 has not materially changed the statement of cash flow for the year ended 30 June 2020.

AASB 16 Leases

There was no impact on Council's financial reporting arising from the adoption of AASB 16.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 14 Statement of cash flows - additional information

(a) Reconciliation of cash assets

Total cash and cash equivalents	6a	1,107	993
Balances as per cash flow statement		1,107	993

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income statement		44	101
--	--	----	-----

Add:

Depreciation and impairment		48	53
Non-cash adjustment due to change in accounting policy		(40)	-
Increase/(decrease) in provision for doubtful debts		14	-
Increase/(decrease) in provision for leave entitlements		14	33
(Increase)/decrease in receivables		57	(85)
(Increase)/decrease in inventories		6	27
(Increase)/decrease in prepayments		(6)	2
Increase/(decrease) in payables		(51)	46
Increase/(decrease) in contract liabilities		44	-
Gain on sale of assets		-	-
Other		-	-

Net cash provided from (or used in) operating activities from Statement of cash flows

		130	177
--	--	------------	------------

Note 15 Commitments for expenditure

	Note	Actual 2020 \$'000	Actual 2019 \$'000
(a) Capital commitments (exclusive of GST)		Nil	Nil
(b) Finance lease commitments		Nil	Nil
(c) Non-cancellable operating lease commitments (2019 only)		N/A	5
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:			
- Not later than one year		n/a	5
- Later than one year and not later than 5 years		n/a	-
- Later than 5 years		n/a	-
Total		N/A	5

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 16 Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including credit risk, liquidity risk and 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 hold tradable investments therefore are is not subject to price risk.

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 by the General Manager and administration staff under policies approved by the Council.

Council held the following financial instruments at reporting date:

	Carrying Value		Fair Value	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets				
Cash and cash equivalents	1,107	993	1,107	993
Receivables	18	89	18	89
	<u>1,125</u>	<u>1,082</u>	<u>1,125</u>	<u>1,082</u>
Financial liabilities				
Payables	47	98	47	98
	<u>47</u>	<u>98</u>	<u>47</u>	<u>98</u>

(a) Cash and cash equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The General Manager and administration staff manage the cash and investments portfolio. Council has an investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report provided to Council at each meeting setting out the make-up and performance of the portfolio.

The risks associated with the investments held are:

Interest rate risk – the risk that movements in interest rates could affect returns.

Credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 16 Financial risk management (continued)

(b) Receivables

Council's major receivables comprise of user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

Council makes a suitable provision for doubtful receivables as required.

(c) Payables

Payables 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 maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the maturity table below:

2020	\$'000	Interest Rate	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total Contractual Cash flows	Carrying values
Payables		0.00%	47	-	-	47	47
			47	-	-	47	47
2019	\$'000						
Payables		0.00%	98	-	-	98	98
			98	-	-	98	98

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 17 Material budget variations

Council's original budget was adopted by the Council on 15 June 2018. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions policy decisions, including new grant programs, changing economic activity, the weather, and by decisions made by the Council.

Revenue	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
User charges & fees	598	249	-349	-58%
Only one aerial spraying program was run during the year in Spring 2019 as the weather was not conducive to running the budgeted Autumn program in 2020.				
Interest & investment revenue	20	18	-2	-10%
Lower interest rates received as a result of current National economic movements.				
Other revenues < 10% variance	-	20	20	N/A
Grants & contributions < 10% variance	981	989	8	1%
Expenses				
Employee Costs < 10% variance	637	637	-	0%
Materials and contracts	761	431	-330	-43%
Only one aerial spraying program was run during the year in Spring 2019 as the weather was not conducive to running the budgeted Autumn program in 2020.				
Depreciation and amortisation	51	48	-3	-6%
Other Expenses < 10% variance	147	116	-31	-21%
Spending was managed frugally.				

Note 18 Related Party Transactions

Key Management Personnel

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:

Compensation	2020 \$'000	2019 \$'000
Short-term benefits	126	108
Post employment benefits	10	8
Other long-term benefits	2	-
Termination Benefits	-	-
Total	138	116

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of council delivering a public service objective will not be disclosed.

There have been no transactions to disclose.

Upper Macquarie County Council

Notes to the financial statements

for the year ended 30 June 2020

Note 19 Statement of performance measurement

	Amounts 2020 \$'000	2020 indicators	2019 indicators	Benchmark
1. Operating performance				>0
Total continuing operating revenue ^[1] excluding capital grants and contributions – operating expenses	44	3.45%	7.03%	
<hr/>				
Total continuing operating revenue ¹ excluding capital grants and contributions	1,276			
2. Own source operating revenue				>60%
Total continuing operating revenue ¹ less all grants and contributions	287	22.49%	32.45%	
<hr/>				
Total continuing operating revenue ¹ inclusive of capital grants and contributions	1,276			
3. Unrestricted current ratio				>1.5x
Current assets less all external restrictions	1,124	5.38	5.14	
<hr/>				
Current liabilities less specific purpose liabilities	209			
4. Debt service cover ratio				n/a
Operating results ¹ before capital excluding interest and depreciation/impairment/ amortisation (EBTDA)	-	0.00%	0.00%	
<hr/>				
Principal repayments (from the statement of cash flows) + borrowing interest costs (from the income statement)	-			
5. Rates and annual charges outstanding percentage				n/a
Rates and annual charges outstanding	-	0.00%	0.00%	
<hr/>				
Rates and annual charges collectible	-			
6. Cash expense cover ratio				
Current year's cash and cash equivalents + term deposits	1,107	10.88	10.15	> 3 months
<hr/>				
Payments from cash flow of operating and financing activities	1,221			

[1] Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Upper Macquarie County Council

To the Councillors of Upper Macquarie County Council

Opinion

I have audited the accompanying financial statements of Upper Macquarie County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, 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).

I have fulfilled my other ethical responsibilities in accordance with 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 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 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 17 Material budget variations
- on the Special Schedules
- 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.



Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 August 2020
SYDNEY



Cr Ian North
Chairperson
Upper Macquarie County Council
PO Box 703
Bathurst NSW 2795

Contact: Karen Taylor
Phone no: 02 9275 7311
Our ref: D2016608/1825

11 August 2020

Dear Ian

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Upper Macquarie County Council**

I have audited the general purpose financial statements (GPFS) of the Upper Macquarie County Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020	2019	Variance
	\$000'	\$000'	%
User Charges and Fees revenue	249	427	41.7
Grants and contributions revenue	989	970	2.0
Operating result from continuing operations	44	101	56.4

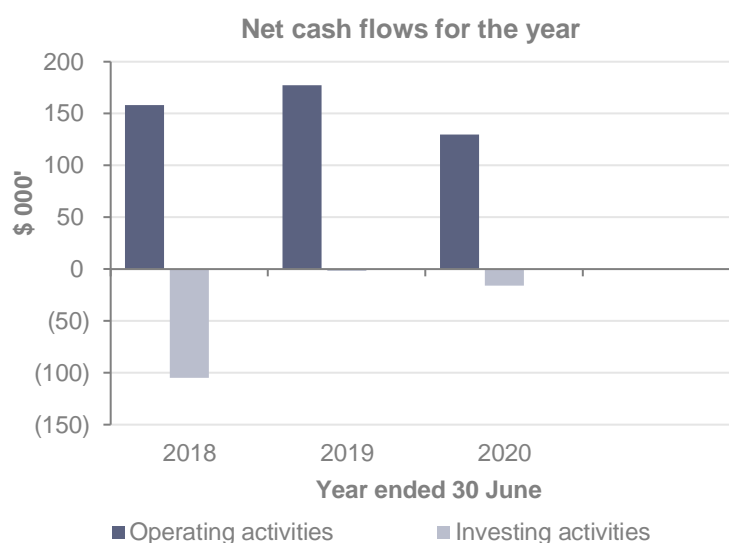
The Council's operating result from continuing operations (\$44,000 including depreciation of \$48,000) was \$57,000 lower than the 2018–19 result. The movement was due to:

- the 2020 Autumn aerial spray program did not occur due to dry conditions. In 2019 there were two aerial spray programs (Spring and Autumn). As such, income from aerial spraying decreased by \$80,000 from \$264,000 in 2019 to \$184,000 in 2020.
- wages and salaries remained consistent (2020: \$637,000; 2019: \$633,000) as not impacted by changes to the aerial spraying program as contractors are used for much of this work.
- reduced contracting costs associated with aerial spraying (2020: \$200,000; 2019: 319,000) offset by an increase in contributions (2020: \$646,000; 2019: \$621,000).

STATEMENT OF CASH FLOWS

Council had approximately \$114,000 more cash at 30 June 2020 (\$1,107,000) than it did at 30 June 2019 (\$993,000).

This is attributable to the profit of \$44,000 for the year, adjusted for non-cash items.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$'000'	\$'000'	
External restrictions	44	40	• Externally restricted funds relate to unspent grant monies.
Internal restrictions	641	386	• Council authorised a restructure of the internally restricted funds during the year. This primarily involved an increase of \$300,000 in the Business Viability Fund.
Unrestricted	422	567	
Cash and investments	1,107	993	• Overall cash has increased from the prior year. The movement has been explained in the 'Statement of Cash Flows' section above.

PERFORMANCE

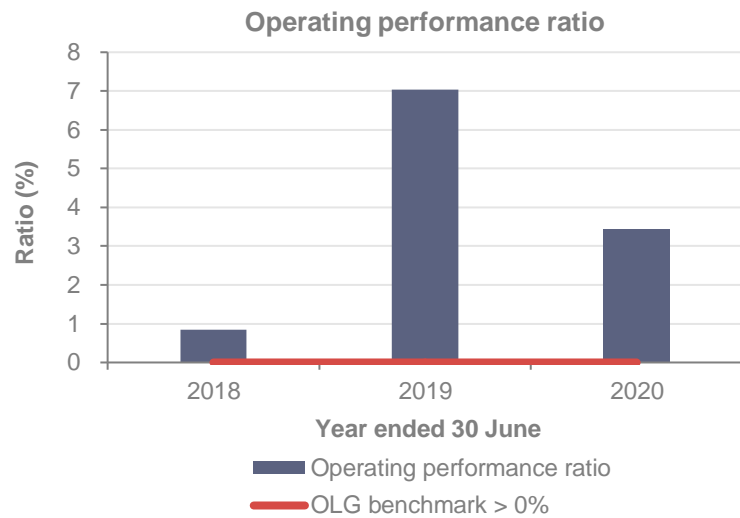
Performance measures

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

Operating performance ratio

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

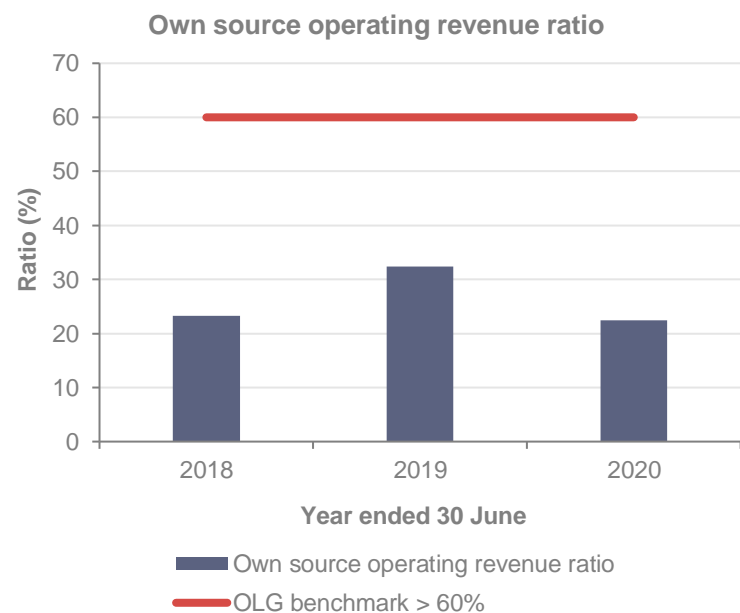
The Council exceeded the OLG benchmark for the current reporting period. The size of Council's operations means small dollar movements result in large percentage movements in this ratio.



Own source operating revenue ratio

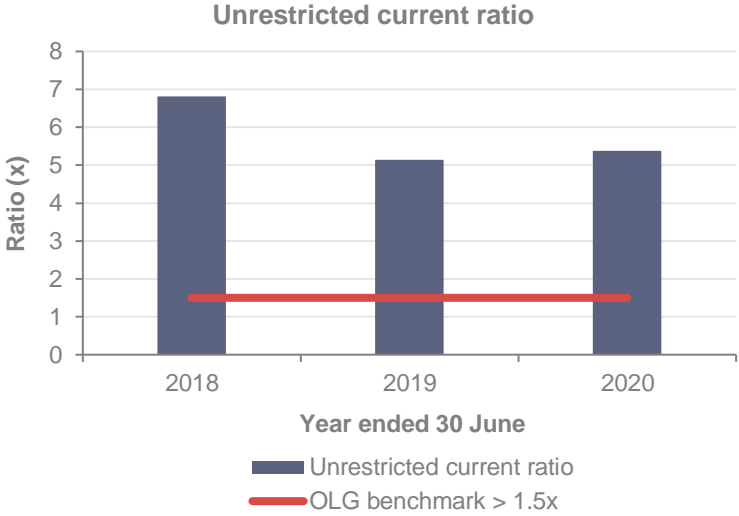
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

The Council remained below the OLG benchmark for the current reporting period due to its reliance on the Weeds Action Plan Funding and constituent Council Contributions to fund its operations.



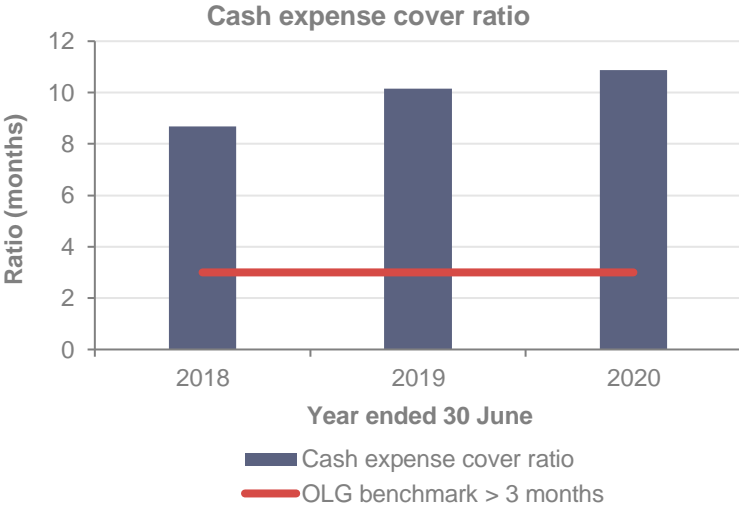
Unrestricted current ratio

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



Cash expense cover ratio

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



OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the required disclosures.

AASB 1058 is relevant for not-for-profit entities accounting of transactions conducted on non-commercial terms. AASB 1058 impacts the timing and amount of income recorded in a councils' financial statements.

The Council recognised a \$40,000 adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

**Upper Macquarie County Council
Special Schedules
for the year ended 30 June 2020**

Upper Macquarie County Council
Special schedules
for the year ended 2020

Contents

<i>Special Schedules (Not Audited)</i>	Page
Report on Infrastructure Assets	SS-3

**Upper Macquarie County Council
Special Schedule
Report on Infrastructure Assets as at 30 June 2020**

Asset Class	Asset Category	Estimated cost to bring to a satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	Required Maintenance	Actual Maintenance	Carrying Value	Gross Replacement Cost	Assets in Condition as % of Gross Replacement Cost *					
								1	2	3	4	5	
Buildings	Chemical Storage Shed	\$'000	\$'000	-	\$'000	-	\$'000	-	100	-	-	-	-
Total Classes	Total All Assets	-	-	-	-	-	21	-	100	-	-	-	-

*In accordance with Note 9.

Infrastructure Asset Condition Assessment

Level	Condition	Description
1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Upper Macquarie County Council
Special Schedules
Report on Infrastructure Assets as at 30 June 2020 (continued)

Infrastructure Asset Performance Indicators – Consolidated				
	Amounts	Current year indicators	2019	2018
	\$'000			
Building and infrastructure renewals ratio		-	-	-
<u>Asset renewals (building and infrastructure)</u>	-			
Depreciation, amortisation and impairment	-			
Infrastructure backlog ratio		-	-	-
<u>Estimated cost to bring assets to a satisfactory standard</u>	-			
Carrying value* of infrastructure assets	-			
Asset maintenance ratio		-	-	-
<u>Actual asset maintenance</u>	-			
Required asset maintenance	-			
Cost to bring assets to agreed service level		-	-	-
<u>Estimated cost to bring to agreed service level set by Council</u>	-			
Gross Replacement Cost	21			

The Council disclosed the impact of adopting the new Revenue Standards in Note 13.

Legislative compliance

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

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

The Council's:

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



Karen Taylor

Delegate of the Auditor-General for New South Wales