

# Upper Macquarie County Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

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# Upper Macquarie County Council

## General Purpose Financial Statements

for the year ended 30 June 2023

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### Overview

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

7 Lee Street  
Kelso NSW 2795.

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: <https://www.umcc.nsw.gov.au/>

Upper Macquarie County Council  
Consolidated Financial Statements  
for the year ended 30 June 2023

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 11 August 2023.



Andrew McKibbin  
Chairperson  
11 August 2023



Bruce Reynolds  
Deputy Chairperson  
11 August 2023



Tim Johnston  
General Manager and Responsible  
Accounting Officer  
11 August 2023

# Upper Macquarie County Council

## Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Income from continuing operations</b>				
379			<b>423</b>	501
–			<b>50</b>	42
1,108			<b>1,143</b>	1,102
8			<b>45</b>	3
17			<b>4</b>	8
44			<b>51</b>	–
<b>1,556</b>			<b>1,716</b>	1,656
<b>Expenses from continuing operations</b>				
785			<b>786</b>	695
710			<b>748</b>	900
60			<b>38</b>	38
–			<b>15</b>	2
–			<b>–</b>	3
<b>1,555</b>			<b>1,587</b>	1,638
<b>1</b>			<b>129</b>	18
<b>1</b>			<b>129</b>	18
<b>1</b>			<b>129</b>	18
<b>1</b>			<b>129</b>	18

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 2023

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
<b>Net operating result for the year – from Income Statement</b>	<b>129</b>	<b>18</b>
<b>Total comprehensive income for the year attributable to Council</b>	<b>129</b>	<b>18</b>

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

## Upper Macquarie County Council

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,393	1,450
Receivables	C1-3	39	100
Inventories	C1-4	40	61
Other		14	10
<b>Total current assets</b>		<b>1,486</b>	<b>1,621</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-5	220	44
<b>Total non-current assets</b>		<b>220</b>	<b>44</b>
<b>Total assets</b>		<b>1,706</b>	<b>1,665</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C2-1	123	245
Contract liabilities	C2-2	43	44
Employee benefit provisions	C2-3	220	178
<b>Total current liabilities</b>		<b>386</b>	<b>467</b>
<b>Non-current liabilities</b>			
Employee benefit provisions	C2-3	7	14
<b>Total non-current liabilities</b>		<b>7</b>	<b>14</b>
<b>Total liabilities</b>		<b>393</b>	<b>481</b>
<b>Net assets</b>		<b>1,313</b>	<b>1,184</b>
<b>EQUITY</b>			
Accumulated surplus		1,313	1,184
<b>Total equity</b>		<b>1,313</b>	<b>1,184</b>

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 2023

\$ '000	2023		2022	
	Accumulated surplus	Total equity	Accumulated surplus	Total equity
Opening balance at 1 July	1,184	1,184	1,166	1,166
Net operating result for the year	129	129	18	18
<b>Total comprehensive income</b>	<b>129</b>	<b>129</b>	<b>18</b>	<b>18</b>
<b>Closing balance at 30 June</b>	<b>1,313</b>	<b>1,313</b>	<b>1,184</b>	<b>1,184</b>

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

## Upper Macquarie County Council

### Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
379	User charges and fees		641	580
8	Interest received		45	3
1,108	Grants and contributions		1,142	1,102
–	Bonds, deposits and retentions received		–	7
–	Other		54	50
<i>Payments:</i>				
(785)	Payments to employees		(752)	(686)
(659)	Payments for materials and services		(1,004)	(921)
–	Bonds, deposits and retentions refunded		(6)	–
(110)	Other		(14)	(2)
(59)	<b>Net cash flows from operating activities</b>	G1-1	<b>106</b>	133
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
44	Proceeds from sale of IPPE		106	–
<i>Payments:</i>				
(144)	Payments for IPPE		(269)	(10)
(100)	<b>Net cash flows from investing activities</b>		<b>(163)</b>	(10)
(159)	<b>Net change in cash and cash equivalents</b>		<b>(57)</b>	123
1,327	Cash and cash equivalents at beginning of year		1,450	1,327
1,168	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>1,393</b>	1,450

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



# Upper Macquarie County Council

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# Upper Macquarie County Council

## Contents for the notes to the Financial Statements for the year ended 30 June 2023

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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 11 August 2023. 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 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 (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:

employee benefit provisions – refer Note C2-3.

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer Note C1-3.
- 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 B2-2 – B2-3.

### **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*, all money and property received by Council is held in the Council's Consolidated Fund.

#### **The Trust Fund**

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

Trust monies and property subject to Council's control have been included in these reports.

## A1-1 Basis of preparation (continued)

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

### **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 that are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

### **New accounting standards and interpretations issued but not yet effective**

There are no new accounting standards currently published which will affect Upper Macquarie County Council.

### **New accounting standards adopted during the year**

There were no new accounting standards applicable to Upper Macquarie County Council during the year for 30 June 2023.

## 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.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions or activities</b>										
Governance	–	–	50	42	(50)	(42)	–	–	–	–
Environment	1,716	1,653	1,537	1,596	179	57	1,143	1,102	1,705	1,665
Other	–	3	–	–	–	3	–	–	1	–
<b>Total functions and activities</b>	<b>1,716</b>	<b>1,656</b>	<b>1,587</b>	<b>1,638</b>	<b>129</b>	<b>18</b>	<b>1,143</b>	<b>1,102</b>	<b>1,706</b>	<b>1,665</b>

## B1-2 Components of functions or activities

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Details relating to the Council's functions or activities as reported in B1-1 are as follows:

### Governance

Council 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

Council carries out the functions of the Biosecurity Act 2015 (Th Act). The primary object of this Act is to provide a framework for the prevention, elimination and minimisation of biosecurity risks posed by biosecurity matter, dealing with biosecurity matter, carriers and potential carriers, and other activities that involve biosecurity matter, carriers or potential carriers. The Biosecurity matter focus is noxious weeds.

## B2 Sources of income

### B2-1 User charges and fees

\$ '000	2023	2022
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>		
User charges - Chemical Sales	34	169
<b>Total specific user charges</b>	<b>34</b>	<b>169</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Section 64 Certificates	4	8
Private works	385	324
<b>Total fees and charges – statutory/regulatory</b>	<b>389</b>	<b>332</b>
<b>Total other user charges and fees</b>	<b>389</b>	<b>332</b>
<b>Total user charges and fees</b>	<b>423</b>	<b>501</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time (1)	385	324
User charges and fees recognised at a point in time (2)	38	177
<b>Total user charges and fees</b>	<b>423</b>	<b>501</b>

#### Accounting policy

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 or in some cases, the customer is required to pay on arrival or a deposit 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.

### B2-2 Other revenues

\$ '000	2023	2022
Fines	11	28
Insurance Rebates	5	5
Other income	34	9
<b>Total other revenue</b>	<b>50</b>	<b>42</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)	50	42
<b>Total other revenue</b>	<b>50</b>	<b>42</b>

#### Accounting policy 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.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

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

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Constituent Council Contributions	796	757	-	-
State Government grants - WAP	347	345	-	-
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>1,143</b>	<b>1,102</b>	<b>-</b>	<b>-</b>
<b>Total grants and non-developer contributions</b>	<b>1,143</b>	<b>1,102</b>	<b>-</b>	<b>-</b>
<b>Total grants and contributions</b>	<b>1,143</b>	<b>1,102</b>	<b>-</b>	<b>-</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time (1)	-	-	-	-
Grants and contributions recognised at a point in time (2)	1,143	1,102	-	-
<b>Total grants and contributions</b>	<b>1,143</b>	<b>1,102</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:

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	43	44	-	-
<b>Unspent funds at 30 June</b>	<b>43</b>	<b>44</b>	<b>-</b>	<b>-</b>



## B2-3 Grants and contributions (continued)

### Accounting policy

#### 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 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 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 (e.g. provision of community health services through the year).

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.

#### Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

#### 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

\$ '000	2023	2022
<b>Interest on financial assets measured at amortised cost</b>		
– Cash and investments	45	3
<b><u>Total interest and investment income (losses)</u></b>	<b><u>45</u></b>	<b><u>3</u></b>

### Accounting policy

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

## B2-5 Other income

\$ '000	Notes	2023	2022
<b>Reversal of impairment losses on receivables</b>			
User charges and fees		4	8
<b><u>Total reversal of impairment losses on receivables</u></b>	C1-3	<b><u>4</u></b>	<b><u>8</u></b>
<b><u>Total other income</u></b>		<b><u>4</u></b>	<b><u>8</u></b>

## B3 Costs of providing services

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

\$ '000	2023	2022
Salaries and wages	555	526
Employee leave entitlements (ELE)	118	81
Superannuation	69	58
Workers' compensation insurance	31	13
Training costs (other than salaries and wages)	6	8
Other	7	9
<b>Total employee costs</b>	<b>786</b>	<b>695</b>
<b><u>Total employee costs expensed</u></b>	<b><u>786</u></b>	<b><u>695</u></b>

#### Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

All employees of the Council are entitled to benefits on retirement, disability or death. 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.

### B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		109	220
Consultancy costs		9	15
Contractor costs		349	396
Audit Fees	E2-1	19	18
Members and Chairpersons fees and associated expenses	E1-2	50	42
Advertising		4	4
Bank charges		1	2
Insurance		44	39
Office expenses (including computer expenses)		–	13
Subscriptions and publications		4	2
Telephone		8	8
IT expenses		53	50
Postage, printing and stationary		5	3
Rent		10	6
Motor vehicles		63	74
<b>Legal expenses:</b>			
– Legal expenses: other		14	5
Other		6	3
<b>Total materials and services</b>		<b>748</b>	<b>900</b>
<b><u>Total materials and services</u></b>		<b><u>748</u></b>	<b><u>900</u></b>

#### Accounting policy

Expenses are recorded on an accruals basis as the Council receives the goods or services.

### B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	2023	2022
<b>Depreciation and amortisation</b>		
Plant and equipment	38	38
<b>Total depreciation and amortisation costs</b>	<b>38</b>	<b>38</b>
<b><u>Total depreciation, amortisation and impairment for non-financial assets</u></b>	<b><u>38</u></b>	<b><u>38</u></b>

#### Accounting policy

Other expenses are recognised at the increase of the Provision of Doubtful Debts.

#### 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

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

### B3-4 Other expenses

\$ '000	2023	2022
<b>Other</b>		
Bad & Doubtful Debts	15	2
<b>Total other</b>	<b>15</b>	<b>2</b>
<b><u>Total other expenses</u></b>	<b><u>15</u></b>	<b><u>2</u></b>

#### Accounting policy

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

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

<b>\$ '000</b>	Notes	<b>2023</b>	2022
<b>Gain (or loss) on disposal of Infrastructure, Property, Plant and Equipment</b>	C1-5		
Proceeds from disposal		<b>53</b>	–
Less: carrying amount of assets sold		<b>(2)</b>	<b>(3)</b>
<b>Gain (or loss) on disposal</b>		<b>51</b>	<b>(3)</b>
<b><u>Net gain (or loss) from disposal of assets</u></b>		<b>51</b>	<b>(3)</b>

**Accounting policy**

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 24 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----	
<b>Revenues</b>				
<b>User charges and fees</b>	379	423	44	12% <b>F</b>
Greater income received through the aerial spraying program than expected.				
<b>Other revenues</b>	-	50	50	∞ <b>F</b>
<b>Interest and investment revenue</b>	8	45	37	463% <b>F</b>
National economic conditions that resulted in higher interest rates.				
<b>Net gains from disposal of assets</b>	44	51	7	16% <b>F</b>
Received higher than expected return on 4 traded in fleet vehicles.				
<b>Expenses</b>				
<b>Materials and services</b>	710	748	(38)	(5)% <b>U</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	60	38	22	37% <b>F</b>
Four new fleet vehicles purchased late in the financial year. Replaced vehicles had fully depreciated.				
<b>Other expenses</b>	-	15	(15)	∞ <b>U</b>
More debtors considered doubtful debts.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	(59)	106	165	(280)% <b>F</b>
A Reduction in materials and contracts, specifically the reduction in contractors as the roadside spraying program was largely performed with internal resources this year				
<b>Cash flows from investing activities</b>	(100)	(163)	(63)	63% <b>U</b>
Higher value of purchase of 4 new vehicles.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2023	2022
<b>Cash assets</b>		
Cash on hand and at bank	92	100
Cash equivalent assets		
– Deposits at call	1,301	1,350
<b><u>Total cash and cash equivalents</u></b>	<b><u>1,393</u></b>	<b><u>1,450</u></b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,393	1,450
<b><u>Balance as per the Statement of Cash Flows</u></b>	<b><u>1,393</u></b>	<b><u>1,450</u></b>

#### Accounting policy

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.

## C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>1,393</b>	1,450
Less: Externally restricted cash, cash equivalents and investments	<u>(43)</u>	<u>(44)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,350</b>	1,406

### External restrictions

#### External restrictions – included in liabilities

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

Specific purpose unexpended grants – general fund	<u>43</u>	<u>44</u>
<b>External restrictions – included in liabilities</b>	<b>43</b>	44

#### External restrictions – other

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

<b>Total external restrictions</b>	<u>43</u>	<u>44</u>
------------------------------------	-----------	-----------

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.

\$ '000	2023	2022
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,350</b>	1,406
Less: Internally restricted cash, cash equivalents and investments	<u>(740)</u>	<u>(884)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>610</b>	522

### Internal allocations

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

Infrastructure replacement	100	100
Employees leave entitlement	150	150
Business viability fund	400	400
Other	50	50
Plant replacement	9	153
Biosecurity enforcement	<u>31</u>	<u>31</u>
<b>Total internal allocations</b>	<b>740</b>	884

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected

## C1-3 Receivables

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
User charges and fees	56	–	104	–
– Other income accruals	5	–	7	–
<b>Total</b>	<b>61</b>	<b>–</b>	<b>111</b>	<b>–</b>
<b>Less: provision for impairment</b>				
User charges and fees	(22)	–	(4)	–
Other debtors	–	–	(7)	–
<b>Total provision for impairment – receivables</b>	<b>(22)</b>	<b>–</b>	<b>(11)</b>	<b>–</b>
<b>Total net receivables</b>	<b>39</b>	<b>–</b>	<b>100</b>	<b>–</b>

### Accounting policy

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.

### 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 presumption 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.



## C1-4 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>(i) Inventories at cost</b>				
Stores, materials and trading stock	40	-	61	-
<b>Total inventories at cost</b>	<b>40</b>	<b>-</b>	<b>61</b>	<b>-</b>
<u>Total inventories</u>	<u>40</u>	<u>-</u>	<u>61</u>	<u>-</u>

### Accounting policy

#### Raw materials and 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.

## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period			At 30 June 2023		
	Gross carrying amount Restated	Accumulated depreciation and impairment	Net carrying amount Restated	Additions new assets	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>									
Plant and equipment	343	(299)	44	216	(2)	(38)	407	(187)	220
<b>Infrastructure:</b>									
– Buildings – specialised	21	(21)	–	–	–	–	21	(21)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>364</b>	<b>(320)</b>	<b>44</b>	<b>216</b>	<b>(2)</b>	<b>(38)</b>	<b>428</b>	<b>(208)</b>	<b>220</b>

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period			At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>									
Plant and equipment	338	(263)	75	10	(3)	(38)	343	(299)	44
<b>Infrastructure:</b>									
– Buildings – specialised	21	(21)	–	–	–	–	21	(21)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>359</b>	<b>(284)</b>	<b>75</b>	<b>10</b>	<b>(3)</b>	<b>(38)</b>	<b>364</b>	<b>(320)</b>	<b>44</b>

## C1-5 Infrastructure, property, plant and equipment (continued)

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### Accounting policy

#### Accounting policy for infrastructure, property, plant and equipment

Plant and Equipment is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

#### Useful lives of Property Plant and Equipment

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:

<b>Plant and equipment</b>	5 Years
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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.

## C2 Liabilities of Council

### C2-1 Payables

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Goods and services – operating expenditure	68	–	188	–
Accrued expenses:				
– Salaries and wages	21	–	22	–
– Other expenditure accruals	18	–	19	–
Deposits and retentions	2	–	8	–
Other	2	–	2	–
GST & PAYG Payable	12	–	6	–
<b>Total payables</b>	<b>123</b>	<b>–</b>	<b>245</b>	<b>–</b>

#### Accounting policy

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

### C2-2 Contract Liabilities

\$ '000	Notes	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Grants and contributions received in advance:</b>					
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15 (i)	(i)	43	–	44	–
<b>Total grants received in advance</b>		<b>43</b>	<b>–</b>	<b>44</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>43</b>	<b>–</b>	<b>44</b>	<b>–</b>

#### Notes

(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.

#### Accounting policy

Contract liabilities are recorded when 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.

## C2-3 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Time in Lieu	29	–	21	–
Annual leave	77	–	72	–
Long service leave	114	7	85	14
<b>Total employee benefit provisions</b>	<b>220</b>	<b>7</b>	<b>178</b>	<b>14</b>

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Other	154	124
	<b>154</b>	<b>124</b>

### Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if 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 and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave 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 and accumulating sick leave 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.

### On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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'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 managerial 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.

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

The risks associated with the financial instruments held

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.

Financial risk management is carried out by the General Manager and administration staff under policies approved by the Council.

#### (a) Market risk – interest rate and price risk

\$ '000	2023	2022
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date. (2022: 1%)		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	14	15

#### (b) Credit risk

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.

#### Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2023</b>						
Gross carrying amount	1	30	–	5	26	62
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	80.77%	35.51%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>21</b>	<b>22</b>
<b>2022</b>						
Gross carrying amount	–	44	52	–	15	111
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	73.30%	9.91%
<b>ECL provision</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11</b>	<b>11</b>

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

### (c) Liquidity risk

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:

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2023</b>							
Payables	0.00%	–	123	–	–	123	123
<b>Total financial liabilities</b>		<b>–</b>	<b>123</b>	<b>–</b>	<b>–</b>	<b>123</b>	<b>123</b>
<b>2022</b>							
Payables	0.00%	–	245	–	–	245	245
<b>Total financial liabilities</b>		<b>–</b>	<b>245</b>	<b>–</b>	<b>–</b>	<b>245</b>	<b>245</b>

## D2-1 Contingencies

### LIABILITIES NOT RECOGNISED

At 30 June 2023, Council does not consider there are any contingent liabilities.

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

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

\$ '000	2023	2022
<b>Compensation:</b>		
Short-term benefits	152	144
Post-employment benefits	12	11
Other long-term benefits	2	2
Termination benefits	-	17
<b>Total</b>	<b>166</b>	<b>174</b>

#### 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.



## E1-2 Members and Chairpersons fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Member and Chairperson fees and associated expenses included in materials and services expenses in the Income Statement are:		
Chairman's fee	8	6
Member's fees	33	28
Member's (including Chairman) expenses	9	8
<b><u>Total</u></b>	<b><u>50</u></b>	<b><u>42</u></b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2023	2022
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	19	18
<b>Remuneration for audit and other assurance services</b>	<b><u>19</u></b>	<b><u>18</u></b>
<b>Total Auditor-General remuneration</b>	<b><u>19</u></b>	<b><u>18</u></b>
<b><u>Total audit fees</u></b>	<b><u>19</u></b>	<b><u>18</u></b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
<b>Net operating result from Income Statement</b>	<b>129</b>	18
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	38	38
(Gain) / loss on disposal of assets	(51)	3
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	50	(78)
Increase / (decrease) in provision for impairment of receivables	11	(6)
(Increase) / decrease of inventories	21	37
Decrease/(increase) in prepayments	(4)	(1)
Increase / (decrease) in payables	(120)	93
Increase / (decrease) in other accrued expenses payable	(2)	–
Increase / (decrease) in other liabilities	–	2
Increase / (decrease) in contract liabilities	(1)	–
Increase / (decrease) in employee benefit provision	35	27
<b>Net cash flows from operating activities</b>	<b>106</b>	<b>133</b>

### F2-1 Commitments

Council has no commitments for expenditure.

## F3 Statement of performance measures

### F3-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022      2021		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>74</b>	<b>4.46%</b>	0.79%	7.90%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>1,661</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>518</b>	<b>31.19%</b>	33.13%	38.79%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>1,661</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>1,443</b>	<b>7.63x</b>	5.27x	7.60x	> 1.50x
Current liabilities less specific purpose liabilities	<b>189</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>1,393</b>	<b>9.41</b>	10.81	10.58	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>148</b>	<b>months</b>	months	months	months

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

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

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### 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 Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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 2023, 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 2023 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](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.
- 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.

A handwritten signature in black ink, reading "Monique Bartley". The signature is written in a cursive style with a large, stylized initial 'M' and 'B'.

Monique Bartley  
Delegate of the Auditor-General for New South Wales

5 September 2023  
SYDNEY

Cr Andrew McKibbin  
 Chairperson  
 Upper Macquarie County Council  
 PO Box 703  
 Bathurst NSW 2795

Contact: Monique Bartley  
 Phone no: 02 9275 7204  
 Our ref: R008-16585809-43441/1825

5 September 2023

Dear Andrew

**Report on the Conduct of the Audit  
 for the year ended 30 June 2023  
 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 2023 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 2023 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**

	<b>2023</b>	<b>2022</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>%</b>
User charges revenue	423	501	↓ 15.6
Grants and contributions revenue	1,143	1,102	↑ 3.7
Operating result from continuing operations	129	18	↑ 616.7

The Council's operating result from continuing operations (\$129,000 including depreciation and amortisation expense of \$38,000) was \$111,000 higher than the 2021–22 result. The movement was due to:

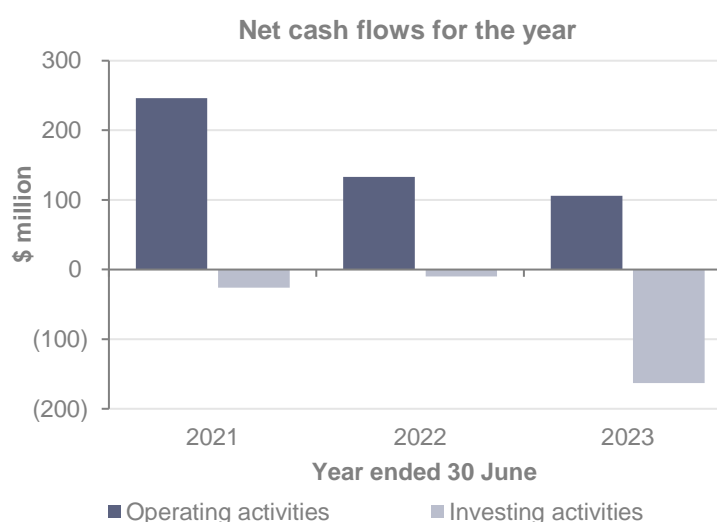
- decreased user charges attributable a reduction in chemical sales from \$169,000 in 2021-22 to \$34,000 in the current year. One of the main chemicals was not available for sale during the year. This chemical has previously been a high seller for the Council. This decrease was offset by an increase in the aerial spraying works of \$59,000, due to an increase in the fees charged for the work and an increase land area sprayed.

- increased grants and contributions attributable to constituent councils receiving a 2.5% rate pegging increase which directly impacted contributions. One of the constituent council contributions increased from \$27,000 in 2021-22 to \$49,000 in the current year, primarily due to increased requests for additional roadside spraying.
- increased operating result attributable to a decrease in expenses. Materials and services decreased by \$120,000 as Council performed most roadside spraying using internal resources rather than engaging external contractors. External contractor's expenses for the roadside program in 2021-22 totalled \$214,000 compared to \$94,000 in 2022-23. Employee benefits costs only increased by \$49,000 in 2022-23.

## STATEMENT OF CASH FLOWS

Council had \$57,000 less cash and cash equivalents at 30 June 2023 (\$1,393,000) compared to 30 June 2022 (\$1,450,000).

The reduction in chemical sales were a key contributor to the reduction in the cash result.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2022	Commentary
	\$000'	\$000'	
<b>Total cash, cash equivalents and investments</b>	<b>1,393</b>	<b>1,450</b>	Externally restricted funds relate to unspent grant monies.
Restricted cash and investments:			The decrease in internal allocations is due to the reduction in the plant allocation as the Council made these purchases during the period.
• External restrictions	43	44	
• Internal allocations	740	884	Overall cash has decreased from the prior year. The movement has been explained in the 'Statement of Cash Flows' section above.

## PERFORMANCE

### Performance measures

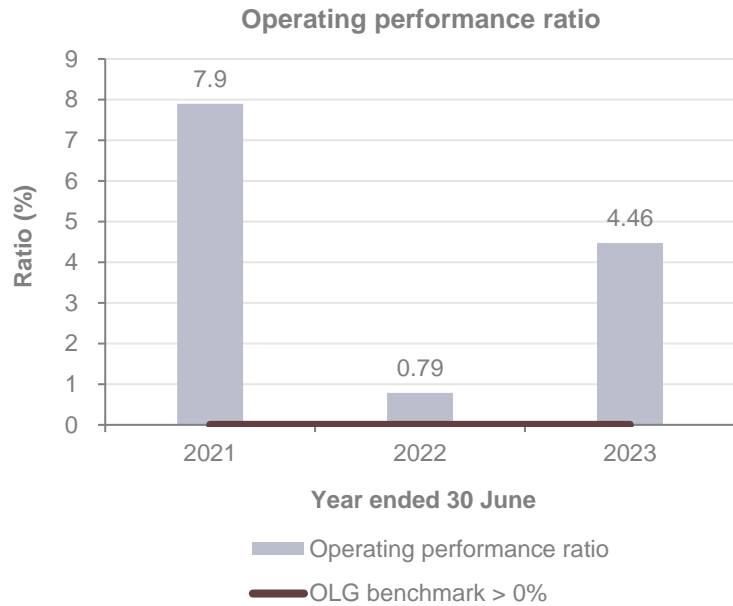
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.



### Operating performance ratio

The Council continues to exceed 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.

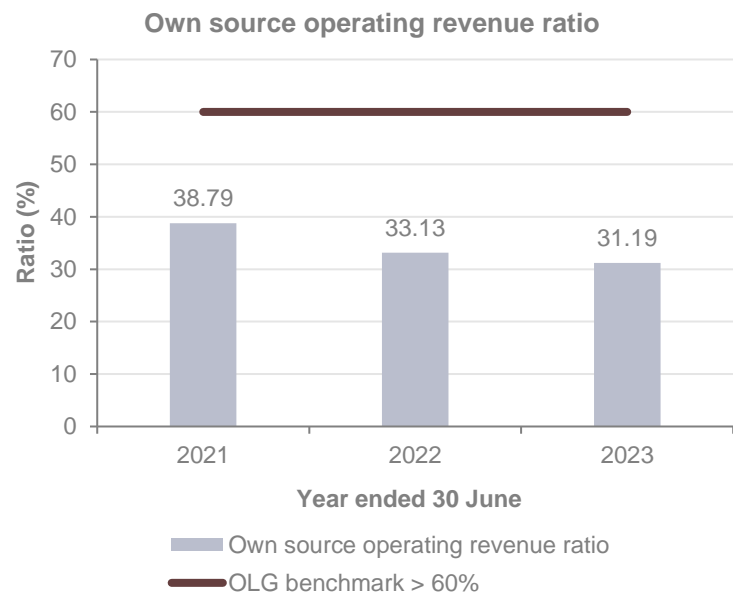
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

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

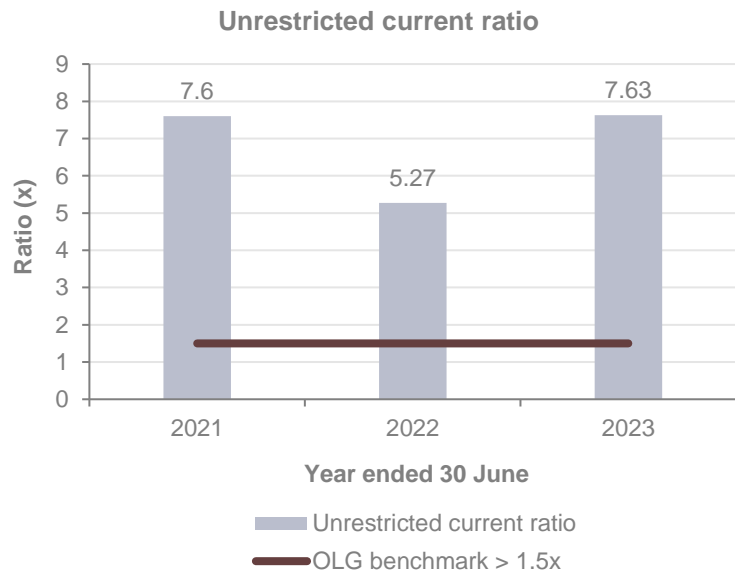
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council continues to exceed the OLG benchmark.

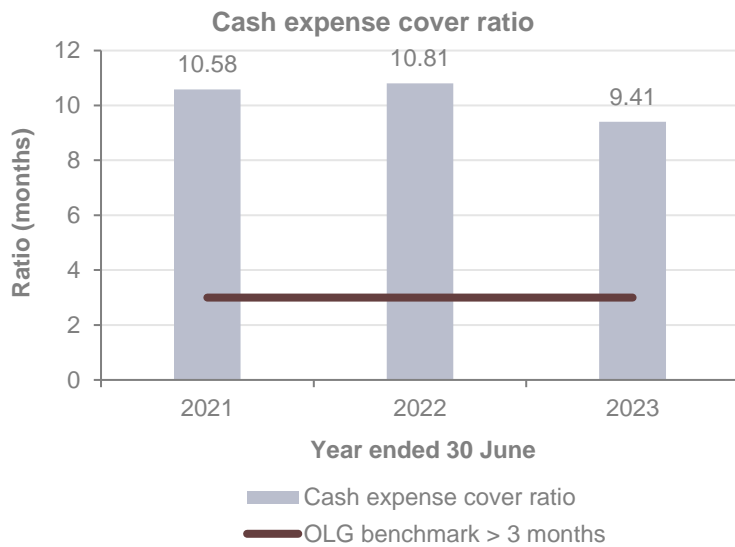
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Cash expense cover ratio

Council's strong liquidity is reflected by this measure. Council has comfortably exceeded the benchmark and has done so for several years.

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

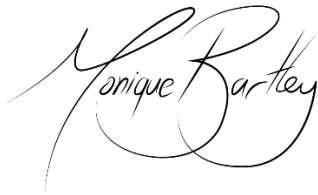


## OTHER MATTERS

### Legislative compliance

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

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

A handwritten signature in black ink that reads "Monique Bartley". The signature is written in a cursive, flowing style with large, connected letters.

Monique Bartley  
Delegate of the Auditor-General for New South Wales