



General Purpose Financial Statements for the year ended 30 June 2021

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

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

180 Cressy Street Deniliquin NSW 2710

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: www.edwardriver.nsw.gov.au.

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

General Purpose Financial Statements

for the year ended 30 June 2021

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

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

- · the Local Government Act 1993 (NSW) (as amended) 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 29 October 2021.

Norm Brennan

Mayor

29 October 2021

Cr Peter McCrabb

Delegated Councillor (resolution 2021/137)

29 October 2021

Philip Storie General Manager 29 October 2021 Rindayi Matienga

Responsible Accounting Officer

29 October 2021

Income Statement

for the year ended 30 June 2021

Original unaudited budget			Actual	Restate Actua
2021 \$ '000		Notes	2021 \$ '000	\$ '00
0.000				
0.000000	Income from continuing operations	22/1	501002	72.22
13,035	Rates and annual charges	B2-1	13,232	13,07
3,910	User charges and fees	B2-2	4,415	6,37
349	Other revenue	82-3	448	50
8,074	Grants and contributions provided for operating purposes	B2-4	8,806	8,58
5,348	Grants and contributions provided for capital purposes	82-4	4,314	8,22
561	Interest and investment income	82-5	377	91
148	Net gains from the disposal of assets	84-1	449	
	Reversal of revaluation decrements/ impairment of infrastructure, property, plant and equipment previously expensed	86-1	614	
+	Net share of interests in joint ventures and associates using the equity method	D2a	50	
31,425	Total income from continuing operations		32,705	37,66
	Expenses from continuing operations			
9.269	Employee benefits and on-costs	83-1	9,356	9,15
4,307	Materials and services	83-2	7,198	8.68
4,507	Borrowing costs		- 1,100	1
	Depreciation, amortisation and impairment for	B3-3		1760-000
8,999	non-financial assets	35.50	9,793	26,18
3,572	Other expenses	B3-4	1,480	2.06
	Net losses from the disposal of assets	B4-1	772	2,59
2	Net share of interests in joint ventures and associates using the equity method	D2a	594	1
26,147	Total expenses from continuing operations		27,827	48,70
5,278	Operating result from continuing operations		4,878	(11,033
5,278	Net operating result for the year attributable to Co	ouncil	4,878	(11,033
(70)	Net operating result for the year before grants and		564	(19,25

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

Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	2021 \$ '000	Restated 2020 \$ '000
Net operating result for the year - from Income Statement		4,878	(11,033)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	2,534	43,777
Impairment (loss) reversal / (revaluation decrement) relating to infrastructure,			
property, plant and equipment	C1-6	(125)	(1,111)
Other comprehensive income – joint ventures and associates		(11)	(80)
Total items which will not be reclassified subsequently to the operating result		2,398	42,586
Total other comprehensive income for the year		2,398	42,586
Total comprehensive income for the year attributable to Council		7,276	31,553

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

Statement of Financial Position

as at 30 June 2021

			Restated
	Notes-	2021 \$ '000	2020 \$ '000
	110110	\$ 000	\$ 000
ASSETS			
Current assets		0026026	02/202
Cash and cash equivalents	C1-1	4,049	12,902
nvestments	C1-2	30,750	31,750
Receivables	C1-4	2,566	3,313
Other		97	62
Total current assets		37,462	48,027
Non-current assets			
nvestments	C1-2	12,000	
nfrastructure, property, plant and equipment	C1-6	441,426	430,397
ntangible Assets	G1-7	1,164	
Investments accounted for using the equity method	D2-1	385	346
Total non-current assets		454,975	430,743
Total assets		492,437	478,770
LIABILITIES			
Current liabilities			
Payables	C2-1	2,997	4,092
Contract liabilities	02-2	5,724	956
Employee benefit provisions	C2-3	2,973	2,876
Provisions	C2-4	166	261
Total current liabilities		11,860	8,185
Non-current liabilities			
Payables	C2-1	50	50
Employee benefit provisions	C2-3	150	149
Provisions	C2-4	2,988	273
Total non-current liabilities		3,188	472
Total liabilities		15,048	8,657
Net assets		477,389	470,113
EQUITY			
Accumulated surplus	C3-1	431,203	426,336
PPE revaluation reserve	C3-1	46,186	43,777
Council equity interest		477,389	470,113
Total equity		477,389	470,113

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

Statement of Changes in Equity

for the year ended 30 June 2021

			as at 30/06/21			as at 30/06/20	
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
	Notes	\$ '000	\$ '000	\$ '000	Restated \$ '000	Restated \$ '000	Restated \$ '000
Opening balance at 1 July		432,908	48,155	481,063	442,083	1,111	443,194
Correction of prior period errors	G4-1	(6,572)	(4,378)	(10,950)		200	NAMES OF
Changes due to AASB 1058 and AASB 15 adoption		866	200	12-15	(4,634)	-	(4,634)
Restated opening balance		426,336	43,777	470,113	437,449	1,111	438,560
Net operating result for the year		4,878	·	4,878	(4,461)	-	. (4,461)
Correction of prior period errors	G4-1			-	(6,572)	-	(6,572)
Restated net operating result for the period		4,878	l e	4,878	(11,033)	-	(11,033)
Other comprehensive income							
Sain (loss) on revaluation of infrastructure, property, plant and equipment impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and	C1-6	1.7	2,534	2,534	5	43,777	43,777
equipment	C1-6	_	(125)	(125)	2	(1,111)	(1,111)
Joint ventures and associates	D2-1	(11)	_	(11)	(80)	A1010.000 (16)	(80)
Other comprehensive income		(11)	2,409	2,398	(80)	42,666	42,586
Total comprehensive income		4,867	2,409	7,276	(11,113)	42,666	31,553
Closing balance at 30 June		431,203	46,186	477,389	426,336	43,777	470,113

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

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited				
budget			Actual	Actua
2021			2021	202
\$ '000		Nates	\$ '000	\$ '00
	Cash flows from operating activities			
	Receipts:			
13,187	Rates and annual charges		13,754	12,88
3,912	User charges and fees		4,422	7,72
561	Investment and interest revenue received		493	1,02
13,422	Grants and contributions		18,100	13,12
-	Bonds, deposits and retention amounts received		-	21
963	Other		2,516	(87
	Payments:			
(9,269)	Employee benefits and on-costs		(9,094)	(8,962
(4,204)	Materials and services		(7,943)	(6,689
-	Borrowing costs		200	(10
1000 march	Bonds, deposits and retention amounts refunded		(163)	02-222
(3,500)	Other	42.11	(1,269)	(3,532
15,072	Net cash flows from operating activities	G1-1a	20,816	15,698
	Cash flows from investing activities			
	Receipts:			
148	Sale of infrastructure, property, plant and equipment		718	33
-	Sale of interests in joint ventures and associates (CMCC)		84	
	Payments:			
-	Purchase of investment securities		anave de la company	(2,736
	Acquisition of term deposits		(11,000)	V2-12-12-12-12-12-12-12-12-12-12-12-12-12
(12,845)	Purchase of infrastructure, property, plant and equipment		(18,306)	(19,846
	Purchase of intangible assets		(1,165)	
(12,697)	Net cash flows from investing activities		(29,669)	(22,252
2,375	Net change in cash and cash equivalents		(8,853)	(6,554
12,902	Cash and cash equivalents at beginning of year		12,902	19,45
15,277	Cash and cash equivalents at end of year	C1-1	4,049	12,90
33,000	plus: Investments on hand at end of year	C1-2	42,750	31,75
48,277	Total cash, cash equivalents and investments		46,799	44,652
40,211	Total odori, odori oquiralonto and invostitionto		40,100	44,002

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

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 29 October 2021. 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 (NSW)* and Regulations, 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.

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 and are clearly marked:

- · Income statement
- · Statement of cash flows
- · Note B5-1 Material budget variations

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.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment refer Note C1-6
- (ii) estimated tip remediation provisions refer Note C2-4
- (iii) employee benefit provisions refer Note C2-3

Significant judgements in applying the Council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables - refer Note C1-4

(ii) Determination of whether performance obligations are sufficently specific and whether the contract is within the scope of AASB 15 Revenue from Contracts and / or AASB 1058 Income of Not-for-Profit Entities - Refer to Notes B2-4

(d) Monies and other assets received by Council

(i) The Consolidated Fund

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

A1-1 Basis of preparation (continued)

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

- General purpose operations
- Water service
- Sewerage service

Due to their immaterial nature, the following Section 355 committees have been excluded from these financial statements:

- Edward River Council Community Garden
- Edward River Concert Band
- Edward River Council Tidy Towns Committee
- Blighty Hall Committee
- Booroorban Hall Committee
- Conargo Hall and Recreation Ground Committee
- Mayrung Hall Committee
- Pretty Pine Hall Committee
- Wanganella Hall Committee
- Multi Arts Centre

(ii) The Trust Fund

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

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

Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements.

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

(e) 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.

Volunteer services

Council does not have material dependence on volunteer services. Volunteers are utilised at the Visitors Information Centre. The estimated value of these services has been included in the financial statements based on average salary and on costs Council would be required to pay if services were not donated.

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

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018–5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059

A1-1 Basis of preparation (continued)

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

AASB 1059 requires grantors to recognise a service concession asset and, in most cases, a corresponding liability on the balance sheet.

A control approach is used to assess the service concession arrangements in place.

On initial recognition the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition.

After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

AASB 2019-2 makes amendments to the recognition and measurement of the asset and liability where the modified retrospective approach to transition is being used and provides a practical expedient due to the different effective dates of AASB 16 and AASB 1059.

Council does not expect any material impact to future financial statements as we do not generally enter into service concession arrangements.

This standard has an effective date for the 30 June 2021 reporting period.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed in Note G4-1.

COVID-19 Impact

The global health crisis from Covid-19 virus has had an impact on Council's operations which is reflected in the financial statements. There was temporary disruption to a number of facilities, services and events with some staff working from home. This did not result in significant reduction in revenue or additional costs.

Council had determined that Covid-19 does not create a material uncertainty to the extent that is casts significant doubt upon Council's ability to continue as a going concern.

B Financial Performance

B1 Functions or activities

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

	Incon	ne	Expens	ses	Operating	result	Grants and cor	tributions	Carrying amou	nt of assets
	2021	2020 Restated	2021	2020 Restated	2021	2020 Restated	2021	2020	2021	2020 Restated
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities 1,2										
A community working together to achieve										
its potential	7,758	11,267	5,009	6,890	2,749	4,377	5,913	7,574	86,035	78,715
A great place to live	2,417	1,681	2,501	2,701	(84)	(1,020)	2,920	5,220	42,946	30,849
A prosperous and vibrant economy	449	1,061	1,171	2,163	(722)	(1,102)	466	2,434	20,118	24,713
A region with quality and sustainable					22 (5)	3/2			- 55	
infrastructure	20,309	20,962	16,387	34,607	3,922	(13,645)	3,688	1,447	295,949	317,779
A valued and enhanced natural										
environment	1,772	2,696	2,759	2,339	(987)	357	133	129	47,389	26,714
Total functions and activities	32,705	37,667	27,827	48,700	4,878	(11,033)	13,120	16,804	492,437	478,770

⁽¹⁾ Income and expenditure allocated to each function/ activity using cost centres, with each cost centre being attached to one particular function/activity.

⁽²⁾ Assets allocated to each activity on the basis of the activities expenditure as a proportion of total expenditure. The assumption is that a function's expenditure is a reflection of that activities utilisation of total assets.

B1-2 Components of functions or activities

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

These Functions align with Council's Community Strategic Plan and are in line with Council's Integrated Planning and Reporting framework.

A community working together to achieve its potential

These are activities that relate to council's leadership, including governance, administration and general purpose operations. Council's objectives of this function are:

- 1. Our community is informed and engaged.
- 2. We collaborate and pursue partnerships that achieve great outcomes for our community.
- 3. Our local government is efficient, innovative and financially sustainable.

A great place to live

These activities relate to council's society and community, including health, public order and security, community services and education, as well as recreation and culture. Council's objectives for this function are:

- Our community has access to essential services.
- 2. Our community is safe, happy and healthy, both physically and mentally.
- 3. Our community and public spaces are accessible and inclusive and reflect our history, heritage and culture.

A prosperous and vibrant economy

These activities relate to the economy in Council's area of operation and include agriculture, manufacturing, construction and economic affairs. Council's objectives for this function are:

- 1. Our economy is strong and diverse.
- 2. We develop our key assets to enhance agriculture, boost tourism and support existing business.
- 3. Our region provides strong education, employment and training opportunities.

A region with quality and sustainable infrastructure

These activities relate to infrastructure, including water and sewerage, roads, transport and communication. Council's objectives for this function are:

- 1. Our built environment is managed, maintained and improved.
- 2. Our road network is a source of pride.
- 3. Our water and sewer infrastructure is efficient and fit for purpose.

A valued and enhanced natural environment

These activities relate to the natural environment in which council operates, including solid waste management, drainage and storm water management. Council's objectives for this function are:

- 1. We are committed to resource recovery and waste management.
- Our natural environment is protected and enhanced.
- 3. We plan for the future to accommodate and facilitate sustainable growth and development.

B2 Sources of income

B2-1 Rates and annual charges

	2021	2020
	\$ '000	\$ '000
Ordinary rates		
Residential	3,621	3,603
Farmland	2,753	2,783
Business	1,040	1,045
Other	9	30
Less: pensioner rebates (mandatory)	(143)	(148)
Rates levied to ratepayers	7,280	7,313
Pensioner rate subsidies received	73	85
Total ordinary rates	7,353	7,398
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	1,257	1,158
Stormwater management services	74	75
Water supply services	1,426	1,391
Sewerage services	3,051	2,976
Waste management services (non-domestic)	159	155
Less: pensioner rebates (mandatory)	(176)	(177)
Annual charges levied	5,791	5,578
Pensioner subsidies received:		
- Water	32	36
- Sewerage	30	34
 Domestic waste management 	26	28
Total annual charges	5,879	5,676
Total rates and annual charges	13,232	13,074

Council has used 2020 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the N\$W Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

	Timing	2021	2020 Restated
		\$ '000	\$ '000
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	1,851	1,860
Sewerage services	2	285	277
Waste management services (non-domestic)	2	90	82
Total specific user charges		2,226	2,219
Other user charges and fees			
(i) Fees and charges - statutory and regulatory functions (per s.608)			
Building regulation	2	46	45
Inspection services	2	52	29
Private works – section 67	2	251	219
Regulatory/ statutory fees	2	9	22
Section 10.7 certificates (EP&A Act)	2	2	2
Section 603 certificates	2	44	25
Development fees	2	72	67
Impounding fees	2	2	5
Other – certificates and permits	2	18	10
Total fees and charges – statutory/regulatory		496	424
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome	2	73	98
Caravan park	2	52	41
Cemeteries	2	104	106
Leaseback fees - Council vehicles	2	7	7
ibrary and art gallery	2	7	6
Park rents	2	6	8
RMS charges (state roads not controlled by Council)	2	1,121	3,129
Animal control	2	1	1
Medical centre	2	100	98
Murray Valley industrial park	2	20	21
Museum donations	2	8	8
Other lease rentals	2	57	59
Truckwash	2	119	133
Other	2	18	15
Total fees and charges – other		1,693	3,730
Total user charges and fees		4,415	6,373
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		(-	-
User charges and fees recognised at a point in time (2)		4,415	6,373
Total user charges and fees		4,415	6,373

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 such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenue

	Timing	2021 \$ '000	2020 \$ '000
Rental income – other council properties	f	26	53
Fines	2	21	23
Legal fees recovery – rates and charges (extra charges)	2	33	78
Commissions and agency fees	2	3	3
Diesel rebate	2	104	104
Insurance claims recoveries	2	5	=
Recycling income (non-domestic)	2	11	16
Sales – general	2	83	59
Insurance rebates	2	49	81
Royalties	2	5	7
Other	2	76	17
Workers compensation reimbursement	2	32	63
Total other revenue	-	448	504
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		26	53
Other revenue recognised at a point in time (2)		422	451
Total other revenue		448	504

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.

B2-4 Grants and contributions

	Timing	Operating 2021 \$ '000	Operating 2020 \$ '000	Capital 2021 \$ '000	2020 \$ '000
	riming	\$ 000	\$ 000	\$ 000	\$ 000
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	2,027	2,016	-	.56
Financial assistance - local roads component	2	768	763	-	1.0
Payment in advance - future year allocation					
Financial assistance - general component	2	2,168	2,134	_	134
Financial assistance - local roads component	2	824	810	_	
Amount recognised as income during current					
year		5,787	5,723	- (74	
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Economic development	2	110	834	350	1,600
Employment and training programs	2		40	-	5.5
Environmental programs	2	21	17	50	5
Heritage and cultural	2	13	13	2	13
Library – per capita	2	64	56	-	
Library – special projects	2	15	24	_	12
Noxious weeds	2	62	62		35
NSW rural fire services	2	348	240	-	200
Recreation and culture	2	671	5	1,705	168
Merger funding – stronger communities	2	-	-	-	4,47
Street lighting	2	84	-	-	11.0
Transport (roads to recovery)	2	-	_	1,099	1,44
Transport (other roads and bridges funding)	2	-	-	285	
Transport for NSW contributions (regional roads, block					
grant)	2	1,397	1,397	823	23
Other contributions	2	54	17	-	50
Economic Development	2	6	14	-	23
Library services	2	48	58		
Total special purpose grants and					
non-developer contributions (tied)		2,893	2,777	4,314	8,220
Total grants and non-developer					
contributions		8,680	8,500	4,314	8,220
Comprising:					
- Commonwealth funding		7,107	5,888	1,332	75
- State funding		772	828	1,060	5,670
- Other funding		801	1,784	1,922	1,798
		8,680	8,500	4,314	8,220

B2-4 Grants and contributions (continued)

Develo	per	contri	butions	

	Notes	Timing	Operating 2021 \$ '000	Operating 2020 \$ '000	Capital 2021 \$ '000	Capital 2020 \$ '000
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G5					
Cash contributions						
S 64 – water supply contributions		2	62	51	22	2
S 64 – sewerage service contributions		2	64	33	-	
Total developer contributions – cash			126	84)
Total developer contributions			126	84	_	
Total contributions			126	84	-	74
Total grants and contributions			8,806	8,584	4,314	8,220
Timing of revenue recognition for grants and contributions	d					
Grants and contributions recognised over time (1)			-	_	-	
Grants and contributions recognised at a point in time (2)			8,806	8.584	4,314	8,220
Total grants and contributions			8,806	8,584	4,314	8,220

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

	Operating 2021 \$ '000	Operating 2020 \$ '000	Capital 2021 \$ '000	Capital 2020 \$ '000
Unspent grants and contributions			87	
Unspent funds at 1 July	5,068	8,849	956	4,634
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	422	2	4,880	556
Less: Funds received in prior year but revenue recognised and funds spent in current year	(3,698)	_	(515)	(4,234)
Unspent funds at 30 June	1,792	5,068	5,321	956
Contributions				
Unspent funds at 1 July		pi .	===	- 4
Unspent contributions at 30 June	_	722	12	72

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 weed management, truckshop, landfill and fixing roads. 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 construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979 (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

B2-4 Grants and contributions (continued)

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.

B2-5 Interest and investment income

	2021 \$ '000	2020 \$ '000
		Ψ 000
Interest on financial assets measured at amortised cost		
 Overdue rates and annual charges (incl. special purpose rates) 	33	54
- Cash and investments	344	852
- Other		6
Finance income on the net investment in the lease	-	
Total interest and investment income (losses)	377	912
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	33	54
General Council cash and investments	213	262
Restricted investments/funds – external:		
Water fund operations	59	209
Sewerage fund operations	47	143
Domestic waste management operations	10	29
Restricted investments/funds – internal:		
Internally restricted assets	15	215
Total interest and investment income	377	912

Accounting policy

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

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2001	0000
	2021	2020
	\$ '000	\$ '000
Salaries and wages	7,794	7,097
Employee termination costs	162	3.00
Travel expenses	1	25
Employee leave entitlements (ELE)	1,203	1,597
Superannuation	827	925
Workers' compensation insurance	289	213
Fringe benefit tax (FBT)	58	20
Payroll tax	2	-
Training costs (other than salaries and wages)	121	120
Protective clothing	19	1
Uniform clothing	15	37
Recruitment costs	44	3
OH&S expenses	6	8
Other	5	4
Total employee costs	10,546	10,050
Less: capitalised costs	(1,190)	(895)
Total employee costs expensed	9,356	9,155
Number of 'full-time equivalent' employees (FTE) at year end	106	102
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	111	106

Accounting policy

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

Retirement benefit obligations

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.

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services

	Notes	2021 \$ '000	2020 \$ '000
December 2012			540,000,000
Raw materials and consumables		1,585	1,674
Contractor Costs		2,385	3,118
Consultancy Costs		451	783
Audit Fees	FZ-1	91	76
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	158	182
Advertising		202	309
Bank and centrepay charges		40	44
Electricity and heating		510	549
Insurance		709	812
Office expenses		28	25
Postage		32	- 31
Printing and stationery		14	17
Street lighting		112	142
Subscriptions and publications		165	76
Telephone and communications		79	81
Valuation fees		41	41
Other expenses		33	226
Information technology		268	323
Licences, fees and permits		252	49
Promotion material			17
Legal expenses:			0.00
- Legal expenses: planning and development		-	2
- Legal expenses: debt recovery		37	80
- Legal expenses: other		6	30
Total materials and services		7,198	8,687
Total materials and services		7,198	8,687

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

		2021	2020 Restated
	Notes	\$ '000	\$ '000
Depreciation and amortisation			
Plant and equipment		1,217	1,151
Office equipment		90	81
Furniture and fittings		16	25
Land improvements (depreciable)		107	88
Infrastructure:	C1-5		
- Buildings - non-specialised		264	283
- Buildings - specialised		801	798
- Other structures		108	126
- Roads		4,445	3,836
- Bridges		69	74
- Footpaths		397	265
- Other road assets		69	60
- Stormwater drainage		363	383
- Water supply network		773	751
- Sewerage network		649	675
- Swimming pools		86	80
		277	171
Other open space/recreational assets		211	17.1
Right of use assets Other assets:		1-1	-
			50
- Library books		61	59
- Other		120	43
Reinstatement, rehabilitation and restoration assets:	27.2		1.5
- Tip assets	C1-6	7	
Intangible assets	C1-7	1	32
Total gross depreciation and amortisation costs		9,793	8,982
Total depreciation and amortisation costs		9,793	8,982
Impairment / revaluation decrement of IPPE			
Community land (2020 Restated)		S-4-8	1,720
Crown land (2020 Restated)		-	4,383
Operational land		125	_
Infrastructure:	C1-6		
- Buildings - non-specialised			57
- Buildings - specialised		-	3,937
- Other structures		-	1,773
- Footpaths			1,409
- Water supply network		2	2,217
- Sewerage network		_	2,786
- Swimming pools		-	27
Total gross IPPE impairment / revaluation decrement costs		125	18,309
Amounts taken through revaluation reserve	C1-6	(125)	(1,111)
Total IPPE impairment / revaluation decrement costs charged			
to Income Statement			17,198
Total depreciation, amortisation and impairment for			
non-financial assets		9,793	26,180
PRINTED THE RESERVE OF STATES OF STATES OF STATES.			

Accounting policy

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 C1-6 for IPPE assets.

B3-3 Depreciation, amortisation and impairment of non-financial assets (continued)

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

Impairment of receivables Other Total impairment of receivables Other	Notes	\$ '000	\$ '000
Other Total impairment of receivables	A Martin	27	
Total impairment of receivables	417-7-10	27	
THE STATE OF THE S			97
Other	C1-d	27	97
Contributions/levies to other levels of government			
- Emergency services levy (includes FRNSW, SES, and RFS levies)		576	414
Donations, contributions and assistance to other organisations (Section 356)		329	148
- Other contributions/levies		-	73
Crown reserves contribution program		-	14
ERC merger section 355 contribution program		::÷:	314
- ERC merger ute muster contribution		548	1,000
Total other		1,453	1,963
Total other expenses		1,480	2,060

Accounting policy
Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

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

	Notes	2021 \$ '000	2020 \$ '000
Gain (or loss) on disposal of plant and equipment	G1-6		
Proceeds from disposal – plant and equipment		254	330
Less: carrying amount of plant and equipment assets sold/written off		(83)	(71)
Gain (or loss) on disposal		171	259
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		464	
Less: carrying amount of infrastructure assets sold/written off		(186)	(2,857)
Gain (or loss) on disposal		278	(2,857)
Net gain (or loss) on disposal of assets		449	(2,598)

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. 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 de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original financial Budget 2020/21was adopted by the Council on 25/06/2020 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so it is able to manage the variations between actuals aginst budget that invariably occur throughout the year.

This note sets out the details of material variations between Council's original budget and its actual results for the year as per the Income Statement, eventhough such variations may have been adjusted for during each quarterly budget review.

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.

	2021	2021	202	1	
\$ '000	Budget	Actual	Variance		
REVENUES					
Rates and annual charges	13,035	13,232	197	2%	F
User charges and fees This is related to an unexpected increase in the sale of properties of the revenue from regulatory fees and inspection project works on Lawson Syphon Road.					
Other revenues	349	448	99	28%	F
Council was able to secure training subsidies throughout t stations.	the year and also	o received Land	fill Rebates for La	ndfill Transfe	ar
Operating grants and contributions	8,074	8,806	732	9%	F
Capital grants and contributions Due to capital project delays caused by Covid-19 pandem 15/1058.	5,348 lic, the Council r	4,314 ecognised lesse	(1,034) er income in accor	(19)% dance with A	AAS
Interest and investment revenue Interest and investment income is reduced due to the sign rate cut.	561 ficantly lower in	377 terest rate enviro	(184) onment caused by	(33)% y RBA intere	u st
Net gains from disposal of assets Council made the decision to sell off some of unused land assets.	148 I throughout the	449 financial year in	301 creasing our gain	203% s from sale o	F
Reversal of revaluation decrements / impairment of IPP&E previously expensed	(10)	614	614	80	F
Joint ventures and associates – net profits	-	50	50	80	F
EXPENSES					
Employee benefits and on-costs	9,269	9,356	(87)	(1)%	U
Materials and services There was an increase of \$2.55 million of expenses the accordance with Australian Accounting Standards. Prior to					

Borrowing costs – – ∞ F

These expenses include Councillor expenses, Insurances, Electricity, Subscriptions, Catering and others.

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	202 Variar	7	
Depreciation, amortisation and impairment of non-financial assets	8,999	9,793	(794)	(9)%	U

Due to an increase in asset additions throughout the year the depreciation has increased in line with these additional assets accounted in Council's books.

Other expenses

3,572

1,480

2,092

59% 1

There was an increase of \$2.55 million of expenses that have now been classified as part of Materials and Services in accordance with Australian Accounting Standards. Prior to this change the budget was prepared to include these items under Other Expenses.

These expenses include, but are not limited to Councillor expenses, Insurances, Electricity, Subscriptions, Catering and others.

Net losses from disposal of assets

150

∞ F

Joint ventures and associates - net losses

- ∞ F

STATEMENT OF CASH FLOWS

Cash flows from operating activities

15,072

20,816

5,744

38%

Significant increase in grant income across the year due to Drought Communities Round 2, Local Roads and Community Infrastructure Round 1 and 2, and Showground Stimulus Phase 1.

Cash flows from investing activities

(12,697)

(29,669)

(16,972)

134% U

Reduced level of spend across capital funded projects along with increased level of grants received has resulted in an increase in investing activities of the Council.

B6 Material Income Statement items

B6-1 Material Income Statement items

Material reversal of revaluation decrements on IPPE previously expensed

	2021	2020 \$ '000	
	\$ '000		
Infrastructure:			
- Water supply network	318	-	
- Sewerage network	296	_	
Reinstatement, rehabilitation and restoration assets:			
Total material reversal of revaluation decrements on IPPE previously			
expensed	614	_	
Total material reversal of revaluation decrements on IPPE			
previously expensed	614	_	

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2021	2020
	\$ '000	\$ '000
Cash and cash equivalents		
Cash on hand and at bank	4,047	7,005
Cash-equivalent assets		
– Deposits at call	2	-
- Short-term deposits	(-	5,897
Total cash and cash equivalents	4,049	12,902

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 Financial investments

2021	2021	2020	2020		
Current	Non-current	Current	Non-current		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
30,750	12,000	31,750	-		
30,750	12,000	31,750	- 3		
30,750	12,000	31,750			
34,799	12,000	44,652			
	30,750 30,750 30,750	Current \$ '000 \$ '000 30,750 12,000 30,750 12,000 30,750 12,000	Current \$ '000 Non-current \$ '000 Current \$ '000 30,750 12,000 31,750 30,750 12,000 31,750 30,750 12,000 31,750		

Accounting policy

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- · the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets are measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position.

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

C1-3 Restricted cash, cash equivalents and investments

	2021 Current \$ '000	2021 Non-current \$ '000	2020 Current \$ '000	2020 Non-current \$ '000
Total cash, cash equivalents and investments	34,799	12,000	44,652	
attributable to:				
External restrictions	21,830		21,561	
Internal restrictions	8,549	-	9,260	
Unrestricted	4,420	12,000	13,831	
Offesticled	34,799	12,000	44,652	
			2021 \$ '000	2020 \$ '000
Details of restrictions				
External restrictions – included in liabilities				
Specific purpose unexpended grants – general fund			5,724	956
External restrictions – included in liabilities			5,724	956
External restrictions – other				
External restrictions included in cash, cash equivalents and in comprise:	vestments abo	ve		
Developer contributions – general			39	39
Water fund			8,049	8,363
Sewer fund			5,077	5,52
Conargo milestones / interpretative			37	3
Conargo Oval M&R			20	2
Deniliquin band committee			20	2
			1,300	
지나 열 및 1. 100 일을 기를 위하시네요. 나를 가입니다면 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그			1,500	1,300
Domestic waste management			3	1.75
Domestic waste management Deniliquin community gardens			14000 4014000	
Domestic waste management Deniliquin community gardens EPA waste			3	36
Domestic waste management Deniliquin community gardens EPA waste Library reserve			3 36	36 30
Domestic waste management Deniliquin community gardens EPA waste Library reserve Regional arts			3 36 242 3	30 30
Domestic waste management Deniliquin community gardens EPA waste Library reserve Regional arts Other- Unexpended merger funds External restrictions — other			3 36 242	1,300 36 301 3 4,959 20,605

C1-3 Restricted cash, cash equivalents and investments (continued)

	2021 \$ '000	2020 \$ '000
Internal restrictions		
Council has internally restricted cash, cash equivalents and investments as follows:		
Plant and vehicle replacement	1,799	1,799
Infrastructure replacement	2,600	2,600
Employees leave entitlement	693	693
Deposits, retentions and bonds	323	448
Airport industrial land	20	50
Asset management	14	14
Airport runway development	187	187
Blighty-upgrade power	70	70
Building maintenance	50	50
Cemetery upgrade	9	g
Depot office and gates upgrade	41	41
Dog trail	3	3
Election reserve	12	12
Fencing Conargo	7	7
Gravel pits	14	14
Human resources	18	18
Internal audit	6	6
Land development fund	385	385
Landscaping plans	90	90
Recreation reserves / village landscaping	1,113	1,113
Risk management	44	44
Wanganella hall community	5	5
Shire – entrance signage	5	5
Tourism/industry promotion	13	13
Town planning plans, surveys and studies	103	103
Waste facilities	63	63
Water infrastructure	57	57
Website development	2	2
Booroorban truck layby		50
Rural village signage program	_	15
Seniors living precinct	217	325
Conargo hall refurbishment		70
Conargo and Pretty Pine rural landfills	23	86
Cressy street revitalisation	77-	400
Deniliquin town hall and civic precinct redevelopment	413	413
North Depot Redevelopment	150	
Total internal restrictions	8,549	9,260

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

C1-4 Receivables

	2021	2021	2020	2020
	Current	Non-current	Current Restated	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Purpose				
Rates and annual charges	847	12	1,289	12
Interest and extra charges	184	-	204	-
User charges and fees (2020 Restated)	682	-	540	-
Capital debtors (being sale of assets)				
Other - Dissolution of Associates - CMCC in				
2020	-		405	-
Accrued revenues				
- Interest on investments	136	-	232	-
- Other income accruals	454	_	473	
Net GST receivable	316	-	447	-
Other debtors	246		7	
Total	2,865	-	3,597	
Less: provision of impairment				
Other debtors	(299)		(284)	_
Total provision for impairment –	(2007)		(201)	
receivables	(299)	-	(284)	-
Total net receivables	2,566	-	3,313	
Externally restricted receivables Water supply				
Rates and availability charges	76		89	
- Other	501	10 To	388	-
Sewerage services	301	0.77	300	
Rates and availability charges	176	-	206	12
- Other	91		71	-
Total external restrictions	844		754	
Unrestricted receivables	1 722		2 550	425
Unrestricted receivables	1,722	-	2,559	
	1,722 2,566	-	2,559 3,313	-
		-	MORAN AND	_
		-	3,313	2020
Total net receivables	2,566		3,313	2020 \$ '000
Total net receivables Movement in provision for impairment of	2,566		3,313 2021 \$'000	\$ '000
Total net receivables Movement in provision for impairment of Balance at the beginning of the year (calculated in	2,566	AASB 139)	3,313 2021 \$ '000	
Movement in provision for impairment of Balance at the beginning of the year (calculated in	2,566 receivables	AASB 139)	3,313 2021 \$ '000 284 27	\$ '000 243 97
Unrestricted receivables Total net receivables Movement in provision for impairment of Balance at the beginning of the year (calculated in + new provisions recognised during the year - amounts already provided for written off this year Balance at the end of the year	2,566 receivables	AASB 139)	3,313 2021 \$ '000	\$ '000 243

C1-4 Receivables (continued)

Accounting policy

Receivables are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non-current assets.

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.

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 quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates 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 the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivable are over 5 years past due, whichever occurs first.

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

C1-5 Contract assets and Contract cost assets

Contract cost assets

Council did not incur any material costs to fulfill a contract during the year, therefore had no contract cost assets as at 30 June 2021.

Accounting policy

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts

continued on next page ... Page 39 of 87

C1-5 Contract assets and Contract cost assets (continued)

billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Contract cost asset - costs to fulfil a contract

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-3 for the accounting policy for impairment of contract cost assets.

C1-6 Infrastructure, property, plant and equipment

		At 1 July 2020					Asset move	treate during the re-	porting period					At 30 June 2021	
By appropriate	Gross cerrying amount Restated	Accumulated street repairment	Net carrying arrount Rentated	Additions renewals 1	Additions new seets	Carrying value of disposals	Depreciation expense	Inquireent look / revaluation decrements (recognised in PL)	Impairment reversal / prior period streatestion pocesseds reversal (via P&L)	/ revolution decrements (recognised in	Adjustments and Vanishins	Revaluation increments to equity (ARR)	Gress carrying already	Accumulated stopreciation and impairment	Her carrying amount
arced clave	\$1000	8 7000	\$ '000	\$ '000	\$ 160	5 '000	8 900	1 799	1 700	3.700	1 900	\$ 300	5 000	\$760	\$ 1000
Capital work in progress	6,678	-	6,678	2,092		-							2.776		www
Plant and equipment	14,986	(9.459)	5,527	9	1,709		(1,217)	_		7.5	-	-	8,770		8,770
Office equipment	3,058	(2,705)	353	- 2	47	50.000	100000000000000000000000000000000000000		- 5	15	1 3	- 5	15,751	(9,806)	5,945
Furniture and fittings	287	(233)	54				(90)	-		-	91	_	3,105	(2,795)	310
Land:	607	(200)	34	-	-		(10)		-	0.00		940	287	(248)	39
- Operational land	7,626	-	7,626	12	45	(160)	2			(125)			77.70.00		7 700
- Community land	1,626	-	1,626	-		(100)			-	0.00	-	-	7,386	-	7,386
- Crown land	4,642	- 5	4,642	2	- 12	- 5	7				-	- 3	1,626	-	1,626
Land improvements – depreciable	4,774	(1,411)	3,363	15	126		(407)		-				4,642		4,642
Infrastructure:	477.4	(1,431)	3,303	15	120	(26)	(107)				94	303	5,260	(1,492)	3,768
- Buildings - non-specialised	14,735	(3,816)	10,919		3.2		(264)			12	(1)	9	14,735	(4,081)	10,654
- Buildings - specialised	54,847	(20,991)	33.856	843			(801)	-		- 10	100	_	55,689	(21,792)	33,897
- Other structures	19,683	(2,538)	17,145	40	12		(108)					_	19,723	(2,646)	17,077
- Roads	236,187	(57,620)	178,567	2,908	54		(4,445)	49	3 3	(49)	(50)	3			
- Bridges	10,564	(3,405)	7,159	2,000			(69)	40	-				239,148 10,564	(62,114)	177,034 7,090
- Footpaths and kerb and gutter	24,904	(8,303)	16,601	1,153	170		(397)	25		(25)	(26)	-	26,303	(3,474)	
- Other road assets (including bulk	24,004	(0.500)	10,001	1,100	170	8	10311	**		(23)	(20)	75	20,303	(8,802)	17,501
earthworks)	4,726	(845)	3,881	40	1.2	20	(69)						4,766	(913)	3,853
- Bulk earthworks (non-depreciable)	33,092	1000	33,092	38	1.2	-	0.885	-	_	100	1	5	33,136		33,136
- Stormwater drainage	36.871	(11,801)	25,070	554			(363)	-			-	_	37,425	(12,164)	25,261
- Water supply network	60,283	(25,716)	34,567	1.024	12	E/	(773)		318	7.2	(1)	2	61,597	(26,462)	35,135
- Sewerage network	56,529	(26,284)	30,245	2,039	491	(4)	(649)	1	296				59,354	(26,933)	32,421
- Swimming pools	5,030	(889)	4,141	26			(86)				(2.27)	_	5,316	(1,098)	4,218
- Other open space/recreational assets	8.072	(2,924)	5,148	992	1,005		(277)	- 2		- 0	10000	1,766	11,049	(2,645)	8,404
- Other infrastructure	200	1,000	0.000	0.5	300	200	225.77	(74)		74	74	(74)	- 11,045	(2,045)	0,404
Other assets:								10.54				0.4			
- Library books	1.222	(1,085)	137	29	1.2		(61)	_		1	-	_	1,251	(1,146)	105
Reinstatement, rehabilitation and restoration assets		110000					1856						1,000	(1.140)	100
- Tip assets	430	(430)	_	2,620		-	-	-				534	3,584	(430)	3,154
Total infrastructure, property, plant and equipment	610,852	(180,455)	430,397	14,422	3,647	(269)	(9,792)	_	614	(125)	(2)	2,534	630,467	(189,041)	441,426
										210000	1000			The second of	200000000000000000000000000000000000000

⁽¹⁾ Renewals are defined as the replacement of existing assets (as opposed to the acquisdion of new assets).

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

		Al.1-July 2019					. As	hal renements dut-	h) Tw reporting perio	d					At 30 June 2020	
lly aggregated ment class	Green samping, amport	Accumulated approaches and reparement	Mass company amount 8,000	Additions nonewells 1	Additions new starts	Carrying value of disposals	Capreciation experies	impainted loss to revaluation accommods (recognised in 201). Restrict:	Impairment took in ministration constraints (recognised in equity) \$ 900	YHP Sandars	Allusthers and tarrhos	Section of the sectio	Residence procurets to equity (AIRI) Residence \$ 2000	Gross carrying amount Restated	Accumulated deprecision and impartment	Ne compet arreco Preconte S 100
	3 900	3.500	9,700	8.000	3,000	8,900	2.300	.8.7000	1,997	A.599	3.709	1.00	3.000	\$ 000	1.000	3.0
Capital work in progress	3,853	-	3,853	2.825	-		-			12	(40)		4	6,678		6,67
Plant and equipment	14,087	(9,554)	4,533	100	2,216	(71)	(1,151)	100	-		-		-	14,986	(9,459)	5,52
Office equipment	2,968	(2.625)	343	050	91	~ 2	(81)	72	2.5	_	_			3,058	(2.705)	35
Furniture and fittings	280	(207)	73	4	2		(25)		-	-	-	5 ± 3	+	287	(233)	5
Land:																
- Operational land	8,671		8,671	-	- 2	-	-	3.4	23	5		(1,045)	***	7,626		7,62
- Community land	3,346	200	3,346	-	+		(+)	(1,720)	-	-	-	1000	+-:	1,626	-	1,62
- Crown land	9.025	_	9.025		-		-	(4,383)		-	-		-	4,642	-	4,64
Land improvements – depreciable	4.394	(1,426)	2.968	215	99	2	(88)	0.000	- 3	- 2	123		169	4,774	(1,411)	3,36
Infrastructure:		0.00					200							17	V. 155 N.	2773
- Buildings - non-specialised	15,586	(4,458)	11,128	131	23	<u> </u>	(283)	(57)	23	- 12	20	94	2	14,735	(3,816)	10,91
- Buildings - specialised	49,674	(12,834)	36,840	1,782	122	(153)	(798)	(3,937)	23	52	-	120	-	54,847	(20,991)	33,85
- Other structures	18,857	(966)	17,891		-	-	(126)	(1,773)	_	-	1,153			19,683	(2,538)	17,14
- Roads	206,405	(62,513)	143,892	6,182	243	(2,081)	(3,836)	100000	- 2	336			33.830	236,187	(57,620)	178.56
- Bridges	7,136	(2,302)	4,834	123		0.0000000	(74)	-	-	1992	(1)		2,277	10,564	(3,405)	7,15
- Footpaths	21,703	(5,867)	15,836	2,262	651	(201)	(265)	(1,409)	-	(273)		-	-	24,904	(8,303)	15.60
- Other road assets (including bulk	5.00.75	1000000	113317114	0.000	1.77	0.000000	1000	10000000		250000				127/62/2017	0000000	172,022
earthworks)	3,969	(735)	3,234	390	-	(90)	(60)	-	=		-	-	407	4,726	(845)	3.88
- Bulk earthworks (non-depreciable)	27,471		27,471		16	(11)	-		-	- 1			5,616	33,092	22000	33,09
- Stormwater drainage	33.783	(12,619)	21,164	339	159	5.6	(383)	-	-	(63)	1000	2.0	3.840	36,871	(11,801)	25.07
- Water supply network	59,230	(22,374)	36,856	781	-	(102)	(751)	(2.217)	-	-			=	60,283	(25,716)	34,56
- Sewerage network	56,085	(22,380)	33,705		- 9	20000	(675)	(2,786)	- 2		.1	-		56,529	(26,284)	30,24
- Swimming pools	4,474	(1,047)	3,427	980	77	(234)	(80)	(27)	-	200	(2)	1.6	-	5.030	(889)	4,14
- Other open space/recreational assets	8,052	(2,147)	5.905	83	647		(171)	-	- 9		1	(1,317)		8,072	(2,924)	5,14
- Other infrastructure	1000	2000	17.55	32	257	-	10000	1,111	(1.111)	100		100000		200	SEMINE S	227.1
Other assets:																
- Library books	1,182	(1,026)	156	40	_	- 5	(59)	-	12	-	120	12	-	1,222	(1,085)	13
- Other	1,290	(94)	1,196			-	(43)	100	44	200	(1,153)	1 - 1	527		44,6534	- 25
Reinstatement, rehabilitation and restoration assets	11.00	14-17	11/11/20				14.146				11000					
– Tip assets	431	(430)	1.				(1)	- 1	2		- 2	92		430	(430)	
Total infrastructure, property, plant and equipment	561,952	(165,604)	396,348	16,137	4,323	(2,929)	(8,950)	(17,198)	(1,111)	- 1		(2,362)	46,139	610,852	(180,455)	430,39

⁽¹⁾ Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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

Accounting policy

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

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 10	Buildings	
Heavy plant/road making equipment	5 to 10	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes; other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

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.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the Rural Fire Services Act 1997 (NSW), "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

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

In accordance with Council's Rural Fire District Service Agreement with the Commissioner of the NSW Rural Fire Service, Council has transferred substantially all the rights and obligations in respect of the operation of fire-fighting equipment to the Commissioner for the foreseeable future.

That Agreement specifically transfers to the Commissioner responsibility for operation, maintenance and control of the firefighting equipment during the term of the Agreement and Council plays no role in determining how such assets are deployed and has no right of use of the assets.

While the Service Agreement remains in place, Council's position is that to recognise the fire-fighting equipment assets would not be in accordance with the Australian Accounting Standards, or the NSW Local Government Code of Accounting Practice, and Council will continue not to recognise such assets in its financial reports.

In addition to fire-fighting equipment, Council will also further consider the accounting treatment for recognition of Buildings and Land that is currently recognised by Council as assets, but which is similarly transferred to the Commissioner pursuant to the Service Agreement. This will be reviewed by Council for the next reporting period.

Externally restricted infrastructure, property, plant and equipment

		as at 30/06/21			as at 30/06/20	
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount Restated	Accumulated depn. and impairment	Net carrying amount Restated
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Water supply						
Plant and equipment	102	102	177	102	102	
Office equipment	5	5	=	5	5	-
Infrastructure	59,460	26,435	33,025	58,983	25,716	33,267
Total water supply	59,567	26,542	33,025	59,090	25,823	33,267
Sewerage services						
Plant and equipment	46	44	2	46	43	-3
Office equipment	4	4	_	4	4	-
Infrastructure	57,600	26,933	30,667	56,529	26,284	30,245
Total sewerage services	57,650	26,981	30,669	56,579	26,331	30,248
Total restricted infrastructure, property, plant						
and equipment	117,217	53,523	63,694	115,669	52,154	63,515

C1-7 Intangible assets

Intangible assets are as follows:		
	2021 \$ '000	2020 \$ '000
Software		
Opening values at 1 July		
Gross book value	896	896
Accumulated amortisation	(896)	(864)
Net book value – opening balance	7.	32
Movements for the year		
Development costs	1,165	32
Amortisation charges	(1)	(32)
Closing values at 30 June	~	- 2
Gross book value	2,061	896
Accumulated amortisation	(897)	(896)
Total software – net book value	1,164	-
Total intangible assets – net book value	1,164	

Accounting policy

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

C2 Liabilities of Council

C2-1 Payables

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Payables				
Prepaid rates	492	14	412	
Goods and services - operating expenditure	326	=	351	
Goods and services - capital expenditure	919	72	1,158	5
Accrued expenses:				
 Salaries and wages 	321		128	-
- Other expenditure accruals	407		1,377	-
Long service levy	200		22	=======================================
Rural fire service liability	81	12	81	1.2
Security bonds, deposits and retentions	273	50	436	50
ATO – fringe benefits	44	-	3=	-
Workers compensation	106	190	72	-
Other	28		55	-
Total payables	2,997	50	4,092	50
Total payables	2,997	50	4,092	50

Payables relating to restricted assets

2021	2021	2020	2020
Current	Non-current	Current	Non-current
\$ '000	\$ '000	\$ '000	\$ '000
103	020	84	12
147	-	144	
250	3 ₩	228	-
250	24	228	22
2,747	50	3,864	50
2,997	50	4.092	50
	Current \$ '000 103 147 250	Current \$ '000 \$ '000 103 - 147 - 250 - 250 - 250 - 50	Current Non-current Current \$ '000 \$ '000 \$ '000 103 - 84 147 - 144 250 - 228 250 - 228 2,747 50 3,864

C2-1 Payables (continued)

Current payables not anticipated to be settled within the next twelve months

	2021 \$ '000	2020 \$ '000
The following liabilities, even though classified as current, are not expected to t	e settled in	
The following liabilities, even though classified as current, are not expected to the next 12 months.	pe settled in	
그 사고 하면 하는 경험	pe settled in 50	50

Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, accrued expenses and bonds for development applications.

Payables

The payables 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

	Notes	2021 Current \$ '000	2021 Non-current \$ '000	2020 Current \$ '000	2020 Non-current \$ '000
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(0)	5,724		956	12
Total grants received in advance		5,724	-	956	.4
Total contract liabilities		5,724	7 	956	(44

Notes

Contract liabilities relating to restricted assets

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Externally restricted assets				
Unspent grants held as contract liabilities (excl. Water & Sewer)	5,724	-	956	-
Total contract liabilities relating to restricted assets	5,724		956	10.72
Total contract liabilities	5,724		956	_

⁽i) Council has received funding to construct assets including roads and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

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

C2-2 Contract Liabilities (continued)

Revenue recognised that was included in the contract liability balance at the beginning of the period 2021 2020 \$ '000 \$ '000 Grants and contributions received in advance: Capital grants (to construct Council controlled assets) 956 4,234 Total revenue recognised that was included in the contract liability balance at the beginning of the period 956 4,234

Significant changes in contract liabilities

We recieved a significant increase in grants paid in advance in 2020/21 and due to many factors including delays due to Covid-19 we were unable to meet all the performance obligations of the contracts.

Accounting policy

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 a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

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.

C2-3 Employee benefit provisions

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Annual leave	788	4	786	-
Sick leave	194	47	174	7.4
Long service leave	1,769	145	1,698	143
RDO leave	78	5	64	÷T
Time in lieu leave	7	=	10	-
ELE on-costs	137	5	144	6
Total employee benefit provisions	2,973	150	2,876	149
Total employee benefit provisions relating to restricted assets	.=	_		
Total employee benefit provisions relating to unrestricted assets	2,973	150	2,876	149
Total employee benefit provisions	2,973	150	2,876	149
Total employee belieff provisions	2,373	130	2,070	143
Current employee benefit provisions not anticipat	ed to be sett	led within the n	ext twelve mo	nths
			2021	2020
			\$ '000	\$ '000
The following provisions, even though classified as current, in the next 12 months.	are not expect	ed to be settled		
Provisions – employees benefits			2,730	2,109
			2,730	2,109

C2-3 Employee benefit provisions (continued)

Description of and movements in provisions

	ELE provisions					
	Annual leave \$ '000	Sick leave \$ '000	Long service leave \$ '000	ELE on-costs \$ '000	Other employee benefits \$ '000	Total \$ '000
2021						
At beginning of year	786	174	1,841	150	74	3,025
Additional provisions	609	252	140	-	-	1,001
Amounts used (payments)	(609)	(252)	(140)	-		(1,001)
Other	2	20	73	(7)	11	99
Total ELE provisions at end of year	788	194	1,914	143	85	3,124
2020						
At beginning of year	683	211	1,758	123	39	2,814
Additional provisions	619	233	145	27	-	1,024
Amounts used (payments)	(539)	(283)	(193)		-	(1,015)
Other	23	13	131	_	35	202
Total ELE provisions at end of year	786	174	1.841	150	74	3,025

C2-3 Employee benefit provisions (continued)

Accounting policy

Provisions are recognised when Council has a present legal or constructive obligations 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 anyone 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 expenses.

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 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.

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.

C2-4 Provisions

	2021	2021	2020	2020
	Current	Non-Current	Current	Non-Current
	\$ '000	\$ '000	\$ '000	\$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	166	2,988	261	273
Sub-total – asset remediation/restoration	166	2,988	261	273
Total provisions	166	2,988	261	273

Provisions relating to restricted assets

Total provisions relating to restricted assets

C2-4 Provisions (continued)

2021	2021	2020	2020
Current	Non-Current	Current	Non-Current
\$ '000	\$ '000	\$ '000	\$ '000
166	2,988	261	273
166	2,988	261	273
	Current \$ '000	Current	Current Non-Current Current \$ '000 \$ '000 166 2,988 261

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

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Description of and movements in provisions

	Other prov	visions
	Asset remediation \$ '000	Net carrying amount \$ '000
2021		
At beginning of year	534	534
Remeasurement effects	2,620	2,620
Total other provisions at end of year	3,154	3,154
2020		
At beginning of year	523	523
Remeasurement effects		11
Total other provisions at end of year	534	534

Accounting policy

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 a borrowing cost.

Asset remediation - tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C3 Reserves

C3-1 Nature and purpose of reserves

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

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	\$ '000 3,022 295 54
Rates and annual charges 8,814 1,396 User charges and fees 2,269 1,851	295
User charges and fees 2,269 1,851	295
개강(1) [25 개 기계 개경 12 개 기계 12	4336
Interest and investment revenue 259 65	54
230 03	
Other revenues 448 –	2.00
Grants and contributions provided for operating purposes 8,680 62	64
Grants and contributions provided for capital purposes 4,314 -	-
Net gains from disposal of assets 449 –	Cont.
Reversal of revaluation decrements on IPPE previously expensed – 318	296
Share of interests in joint ventures and associates using the equity method 50 –	
Total income from continuing operations 25,282 3,692	3,731
Expenses from continuing operations	
Employee benefits and on-costs 8,429 528	399
Materials and services 4,408 1,558	1,232
Depreciation, amortisation and impairment of non-financial assets 8,369 774	650
Other expenses 1,480 -	-
Total expenses from continuing operations 22,686 2,860	2,281
Operating result from continuing operations 2,596 832	1,450
Net operating result for the year 2,596 832	1,450
Net operating result attributable to each council fund 2,596 832	1,450
Net operating result for the year before grants and	\$1,000,200
contributions provided for capital purposes (1,718) 832	1,450

D1-2 Statement of Financial Position by fund

ACCETO		2021 \$ '000	2021 \$ '000
ACCETC	\$ '000	\$ 000	\$ 000
ASSETS			
Current assets			
Cash and cash equivalents	(444)	2,658	1,835
Investments	22,117	5,391	3,242
Receivables	1,722	577	267
Other	97	_	-
Total current assets	23,492	8,626	5,344
Non-current assets			
Investments	12,000	-	:
Infrastructure, property, plant and equipment	377,732	33,025	30,669
Investments accounted for using the equity method	385		
Intangible assets	1,164	_	-
Total non-current assets	391,281	33,025	30,669
TOTAL ASSETS	414,773	41,651	36,013
LIABILITIES			
Current liabilities			
Payables	2,747	103	147
Contract liabilities	5,724		0.22
Employee benefit provision	2,973	-	-
Provisions	166	_	-
Total current liabilities	11,610	103	147
Non-current liabilities			
Payables	50	-	-
Employee benefit provision	150	-	_
Provisions	2,988	:	-
Total non-current liabilities	3,188		-
TOTAL LIABILITIES	14,798	103	147
Net assets	399,975	41,548	35,866
EQUITY			
Accumulated surplus	353,789	41,548	35,866
Revaluation reserves	46,186	11,010	55,000
Council equity interest	399,975	41,548	35,866
Total equity	399,975	41,548	35,866

D2 Interests in other entities

	Council's share of net asse		
	2021 \$ '000	2020 \$ '000	
Council's share of net income			
Net share of interests in joint ventures and associates using the equity method – income			
Associates	50		
Total net share of interests in joint ventures and associates using the equity method – income	50	2	
Net share of interests in joint ventures and associates using the equity method – expenses			
Associates	-	10	
Total net share of interests in joint ventures and associates using the equity method – expenses	_	10	
Total Council's share of net income	50	(10)	
Council's share of net assets			
Net share of interests in joint ventures and associates using the equity method – assets			
Associates	385	346	
Total net share of interests in joint ventures and associates using the equity method – assets	385	346	
Total Council's share of net assets	385	346	

Interests in associates

Net carrying amounts - Council's share

	Nature of	e of Place of		Interest in ownership		
	relationship	business	2021	2020	2021 \$ '000	2020 \$ '000
Central Murray Regional Library	Associate	Deniliquin	84%	87%	385	346
Total carrying amounts – material associates					385	346

Details

	Principal activity	Measurement method
Central Murray Regional Library	Provision of Library Services	84% Net assets

Relevant interests and fair values

	VARIOUS DES	Interest in outputs		Proportion of voting power	
	2021	2020	2021	2020	
Central Murray Regional Library	84%	87%	50%	50%	

D2-1 Interests in associates (continued)

Summarised financial information for associates

	Central Murray Regional Libra		
	2021	2020	
	\$ '000	\$ '000	
Distribution on dissolution received by Council	+		
Statement of financial position			
Current assets			
Cash and cash equivalents	288	331	
Non-current assets	170	166	
Current liabilities			
Other current liabilities	-	99	
Net assets	458	398	
Statement of comprehensive income			
Income	465	478	
Interest income	2	6	
Depreciation and amortisation	(68)	(67)	
Other expenses	(339)	(428)	
Profit/(loss) from continuing operations	60	(11)	
Profit/(loss) for period	60	(11)	
Total comprehensive income	60	(11)	
Share of income – Council (%)	84%	87%	
Profit/(loss) - Council (\$)	50	(10)	
Total comprehensive income – Council (\$)	50	(10)	
Reconciliation of the carrying amount		3,57	
Opening net assets (1 July)	398	490	
Profit/(loss) for the period	60	(11)	
Other adjustments to equity		(81)	
Closing net assets	458	398	
Council's share of net assets (%)	84%	87%	
Council's share of net assets (\$)	385	346	

Fair value of investment

	Quote fair val	uoted r value	
	2021 \$ '000	2020 \$ '000	
Central Murray Regional Library	385	346	

Accounting policy

Interests in associates are accounted for using the equity method in accordance with AASB128 Investments in Associates and Joint Ventures. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses. The Council's share in the associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
	\$ '000	\$ '000	\$ '000	\$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	4,049	12,902	4,049	12,902
Receivables	2,566	3,313	2,566	3,734
Investments				
 Debt securities at amortised cost 	42,750	31,750	42,750	31,750
Total financial assets	49,365	47,965	49,365	48,386
Financial liabilities			-	
Payables	3,047	4,142	3,047	3,449
Total financial liabilities	3,047	4,142	3,047	3,449

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

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

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

E1-1 Risks relating to financial instruments held (continued)

(a) Market risk - interest rate and price risk

	2021 \$ '000	2020 \$ '000
The impact on result for the year and equity of a reasonably possible movement in interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates	224	250
Equity / Income Statement Impact of a 10% movement in price of investments	334	359
- Equity / Income Statement	9 1	-

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables - rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
2021 Gross carrying amount		477	142	143	85	847
2020 Gross carrying amount	-	853	154	194	88	1,289

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2021 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
2021						
Gross carrying amount	1,000	35	54	268	661	2,018
continued on next page						Page 59 of 87

E1-1 Risks relating to financial instruments held (continued)

Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
7.44%	0.89%	0.93%	1.30%	33.29%	14.80%
74	17.11.24 <u>1</u> 2.	1	3	220	298
706	76	149	543	834	2,308
4.05%	13.28%	23.81%	6.48%	18.92%	11.57%
29	10	35	35	158	267
	7.44% 74 706 7.05%	overdue \$'000 \$'000 7.44% 0.89% 74 - 706 76 4.05% 13.28%	overdue overdue overdue \$ '000 \$ '000 \$ '000 7.44% 0.89% 0.93% 74 - 1 706 76 149 4.05% 13.28% 23.81%	overdue \$ '000 overdue \$ '000 overdue \$ '000 overdue \$ '000 7.44% 0.89% 0.93% 1.30% 74 - 1 3 706 76 149 543 4.05% 13.28% 23.81% 6.48%	overdue \$ '000 overdue \$ '000 overdue \$ '000 overdue \$ '000 overdue \$ '000 7.44% 0.89% 0.93% 1.30% 33.29% 74 - 1 3 220 706 76 149 543 834 4.05% 13.28% 23.81% 6.48% 18.92%

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk - 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 (in extenuating circumstances) also be extended, and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2021						2/2/20	02/222
Trade/other payables	0.00%	323	2,674	-	,	2,997	2,555
Total financial liabilities		323	2,674	_	-	2,997	2,555
2020							
Trade/other payables	0.00%	486	3,244		-	3,730	3,730
Total financial liabilities		486	3,244	13-5		3,730	3,730

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

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

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

Level 3: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

			Fair value m	coomente	in merarcing	5		
	500,000,000	of latest	Level 2 Sig			lignificant bservable inputs	To	otal
	2021	2020	2021	2020	2021	2020	2021	2020
\$ '000	Notes	2020	2021	2020	2021	Restated	2021	Restated
Recurring fair value measu	urements							
Infrastructure, property, plant and equipment	C1-6							
Plant and equipment	30/06/21	30/06/17		_	5,945	5,527	5,945	5,527
Office equipment	30/06/21	30/06/17	-	-	310	353	310	353
Furniture and fittings	30/06/21	30/06/17	20	-	39	54	39	54
Operational land	30/06/21	29/02/20	-	-	7,386	7,626	7,386	7,626
Community land	30/06/21	29/02/20	-	-	1,626	1,626	1,626	1,626
Crown land	30/06/21	29/02/20	-	100	4,642	4,642	4,642	4,642
Land improvements – depreciable	30/06/21	29/02/20	_	-	3.768	3.363	3,768	3.363
Buildings - non-specialised	29/02/20	29/02/20	_	-	10,654	10,919	10,654	10,919
Buildings - specialised	29/02/20	29/02/20	_	-	33,897	33,856	33,897	33,856
Other structures	29/02/20	29/02/20	C=0	-	17,077	17,145	17,077	17,145
Roads	29/02/20	29/02/20	-	-	177,034	178,567	177,034	178,567
Bridges	29/02/20	29/02/20	-	án	7,090	7,159	7,090	7,159
Footpaths and kerb and gutter	29/02/20	29/02/20			17,501	16,601	17,501	16.601
Other road assets	29/02/20	29/02/20	(T)	170	3,853	3,881	3,853	3.881
Bulk earthworks	29/02/20	29/02/20	-	-	33,136	33.092	33,136	33.092
Stormwater drainage	29/02/20	29/02/20	-	-	25,261	25,070	25,261	25,070
Water supply network	30/06/21	29/02/20	-		35,135	34,567	35,135	34,567
Sewerage network	30/06/21	29/02/20	170	-	32,421	30,245	32,421	30,245
Swimming pools	30/06/21	29/02/20			4,218	4,141	4,218	4,141
Other open	30/06/21	28/02/20			4,210	20,000	4,210	256.2753
spaces/recreational assets	30/06/21	29/02/20	125	40	8,404	5.148	8,404	5.148
Library books	30/06/21	30/06/17	1		105	137	105	137
Total infrastructure, property, plant and equipment					429,502	compensed	429,502	423,719

Non-recurring fair value measurements

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment - This class of asset category is not valued at fair value. The category is at depreciated historical cost, but is disclosed as fair value.

Office Equipment - Same as Plant and Equipment above.

Furniture and Fittings - Same as Plant and Equipment above.

Operational Land - The latest valuation was conducted by APV Valuers during the 2020/21 financial year.

The valuation method used is in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Operational Land should be valued at market value after considering the buyers and sellers in the market and, where possible, include elements such as zoning limitations, alternative use and size of the land.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, PDSLive property searches, Benchmarking, APV database of recent projects and on-site visits.

Community Land - The latest valuation was conducted by APV Valuers during the 2020/21 financial year.

The valuation method used is in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Council is unable to provide neither observable nor unobservable valuation techniques and therefore it is reported as a Level 3.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, PDSLive property searches, Benchmarking, APV database of recent projects and on-site visits.

Following advice from the NSW Audit Office, Council discounted the market value of Community Land to equal values from the Valuer General's office. This was done so as to cater for the restrictions that are on Community Land.

Crown Land - Same as Community Land above.

Land Improvements (Depreciable) - The latest valuation was conducted by APV Valuers during the 2020/21 financial year. The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide, Benchmarking, APV database of recent projects and on-site visits.

Buildings (Non - Specialised) - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately. This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Buildings (Specialised) - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

Refer to Buildings (Non-Specialised) above for valuation method and data sources.

Other Structures - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide, Benchmarking, APV database of recent projects and on-site visits.

Roads & Bulk Earthworks - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual construction or purchase prices, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Bridges - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

Footpaths - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

Stormwater - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

Water Supply Network - The latest valuation was conducted by APV Valuers during the 2019/20 financial year, with an indexation rate of 0.92% applied to the asset values for the 2020/21 year in accordance with the NSW Rates Reference Manual issued by DPI-Water.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual construction or purchase prices, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Sewer Network - The latest valuation was conducted by APV Valuers during the 2019/20 financial year, with an indexation rate of 0.92% applied to the asset values for the 2020/21 year in accordance with the NSW Rates Reference Manual issued by DPI- Water. Refer to Water Supply Network above for valuation method and data sources.

Swimming Pools - The latest valuation was conducted by APV Valuers during the 2020/21 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Other Open Spaces/ Recreational Assets - The latest valuation was conducted by APV Valuers during the 2020/21 financial year. Refer to Swimming Pools above for valuation method and data sources.

Library Books - Same as Plant and Equipment above.

Fair value measurements using significant unobservable inputs (level 3)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant an	d equipment	
Work in progress	Cost approach	At cost.
Plant and equipment	Cost approach	Gross replacement cost, remaining useful life and residual value
Office equipment	Cost approach	Gross replacement cost, remaining useful life and residual value
Furniture and fittings	Cost approach	Gross replacement cost, remaining useful life and residual value
Operational land	Market value approach	Comparison to other similar land sales/property prices, use of land and land area.
Community land	Market value approach	Use of land, zoning conditions and unit rates per square metre
Crown land	Market value approach	Use of land, zoning conditions and unit rates per square metre
Land improvements – depreciable	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Buildings – non specialised	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Buildings – specialised	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Other structures	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Roads	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Bridges	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Footpaths and kerb	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Bulk earthworks	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Other road assets	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Stormwater drainage	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.

	Valuation technique/s	Unobservable inputs
Water supply network	Cost approach - depreciated replacement	Unit rate cost from market evidence, split between short and long life components, valuation profiles and consumption score.
Sewerage network	Cost approach - depreciated replacement	Unit rate cost from market evidence, split between short and long life components, valuation profiles and consumption score.
Swimming pools	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score.
Other open spaces/recreational assets	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score.
Library books	Cost approach	Gross replacement cost and remaining useful life
Other assets	Cost approach - depreciated replacement	Gross replacement cost and remaining useful life
Tip assets	Cost approach - depreciated replacement	Gross replacement cost and remaining useful life

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	Plant and ed	quipment	Office equ	Office equipment Fu		Furniture and fittings		al land
	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	\$ '000	2021 \$ '000	2020 \$ 1000
Opening balance	5,527	4,533	353	343	54	73	7,626	5,187
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	97		2		-	-	(125)	2,439
Other movements								
Purchases (GBV)	1,718	2,216	47	91	-	6	45	
Disposals (WDV)	(83)	(71)	772	***	-	-	(160)	()
Depreciation and impairment	(1,217)	(1,151)	(90)	(81)	(15)	(25)		22
Closing balance	5,945	5,527	310	353	39	54	7,386	7,626

	Community Land Crown Land			Land	Land im	Contract of the contract of th	Buildings non specialised	
	2021	2020 Restated	2021	2020 Restated	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	1,626	3,346	4,642	9,025	3,363	2,968	10,919	11,128
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	.=:	177			303	169	-	1
Other movements								
Purchases (GBV)		1	77.0		141	314	-	131
Disposals (WDV)	7.	-	7.	-	(26)	-	-	-
Depreciation and impairment	77.	(1,720)	77.0	(4,383)	(107)	(88)	(264)	(340)
Adjustments and transfers	-	177		-	94	-	(1)	
Closing balance	- 1,626	1,626	4,642	4,642	3,768	3,363	10,654	10,919

	Building specialised		Other structures		Roads		Bridges	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	33,856	36,840	17,145	17,891	178,567	143,892	7,159	4,834
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	2.1	2	2		2	33,830	Δ.	2,277
Other movements								
Transfers from/(to) another asset class			<u>~</u>	1,153	_	-	_	
Purchases (GBV)	843	1.904	40	-	2,962	6.761	-	123
Disposals (WDV)	-	(153)	-	-	-	(2.081)		-
Depreciation and impairment	(801)	(4.735)	(108)	(1,899)	(4,445)	(3,836)	(69)	(74)
Adjustments and transfers	(1)	V	130775	(1)	(50)	1	_	(1)
Closing balance	33,897	33,856	17,077	17,145	177,034	178,567	7,090	7,159
	Footpaths		Bulk earthworks		Other road assets		Stormwater drainage	
	2021 \$ '000	\$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	\$ '000
Opening balance	16,601	15,836	33,092	27,471	3,881	3,234	25,070	21,164
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	_	-	5	5,616	-	407	-	3,840
Other movements								
Purchases (GBV)	1,323	2,640	38	16	40	390	554	435
Disposals (WDV)	-	(201)	=	(11)	H	(90)	-	14
Depreciation and impairment	(397)	(1,674)	=	5.00	(69)	(60)	(363)	(383)
Adjustments and transfers	(26)		1	-	1	-	_	-

	Water supply network		Sewerage network		Swimming pools		Other open spaces	
	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	\$ '000
Opening balance	34,567	36,856	30,245	33,705	4,141	3,427	5,148	4,133
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	- - -		-		_		1,766	454
Other movements							136700	
Purchases (GBV)	1,024	781	2,530		26	1,057	1,997	730
Disposals (WDV)	-	(102)	=	-	-	(234)	-	5.5
Depreciation and impairment	(455)	(2,968)	(353)	(3,461)	(86)	(107)	(277)	(171
Adjustments and transfers	(1)		(1)	1	137	(2)	(230)	2
Closing balance	35,135	34,567	32,421	30,245	4,218	4,141	8,404	5,148

	Library books		Other assets		Tip assets		Total	
	2021 \$ '000	2020 \$ '000						
Opening balance	137	156	-	1,196	-	1	423,719	387,239
Recognised in other comprehensive income – revaluation surplus	-	-	_	-	_	_	1,949	49,032
Transfers from/(to) another asset class	-		-	(1,153)	_	-	_	_
Purchases (GBV)	29	40	-	30000000	-	-	13,357	17,635
Disposals (WDV)	-	-	-		5	-	(269)	(2,929)
Depreciation and impairment	(61)	(59)	(74)	(43)	=	(1)	(9,251)	(27,259)
Adjustments and transfers	-	874878.	74	8000			(3)	1
Closing balance	105	137		-	_	-	429,502	423,719

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Member councils are treated as Pooled Employers for the purpose of AASB119. Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

1.9 times employee contributions for non-180 Point members

Division B Nil for 180 Point Members*

Division C 2.5% salaries

Division D 1.64 times employee contributions

*For 180 Point Members, Employers are required to contribute 7% salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials. As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up. There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

The plan is a defined benefit plan. However, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 5 (a) for the year ending 30 June 2021 was \$118,665.

The last valuation of the scheme was performed by Mr Richard Boyfield FIAA (AFS Licence # 411770) on 30/06/2020.

Council's expected contribution to the Fund for the next annual reporting period is \$143,256.12.

E3-1 Contingencies (continued)

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

^{*} excluding member accounts and reserves in both assets and liabilities.

The key economic long-term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed around December 2021.

Council's additional lump sum contribution per annum of 0.27% of the total additional lump sum contributions for all Pooled Employers (of \$40m for each year from 1 July 2019 to 30 June 2021) provides an indication of the level of participation of Council compared with oher employers in the Pooled Employer sub group.

(ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30 June 2021 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

E3-1 Contingencies (continued)

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

(iii) Potential ATO Liability for FBT owing

Whilst preparing the FBT return for March 2021, Council discovered that FBT calculations for the 2019 and 2020 FBT years might have been incorrect. Due to the complexity of the calculations involved, council could not estimate the potential liability with reasonable accuracy during its initial investigations. Council has engaged the services of a professional accounting firm to assist with calculating the potential amounts owing, as well as liasing with the ATO to minimise the costs to Council. Council anticipates the issue to be resolved in the 2022 financial year.

ASSETS NOT RECOGNISED

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

	2021	2020	
	\$ '000	\$ '000	
Compensation:			
Short-term benefits	1,018	816	
Other long-term benefits	78		
Total	1,096	823	

F1-2 Councillor and Mayoral fees and associated expenses

	2021	2020
	\$ '000	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses ncluded in materials and services expenses in the Income Statement are:		
Mayoral fee	27	27
Councillors' fees	108	121
Other Councillors' expenses (including Mayor)	23	34
Total	158	182

Other related parties

	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Impairment provision on outstanding balances \$ '000	Impairment expense
2021					
Real Estate	1	. 11	_		_
Infrastructure works	2	10	_	_	_
Other	3	191	_	_	-
2020 .		•			
Real Estate	1	14	_	_	_
Infrastructure works	2	13	_	_	_
Plant disposals	4	4	_	_	_
Other	3	57	_	-	_

Council paid \$10,940 in 2021 to Big River Real Estate for lease rentals. A member of the KMP is employed by and previously owned Big River Real Estate. Council also provided weed spraying services at a commercial rate for \$10,293 in 2021 to a related party of KMP.

²

Two family members of different KMP work for council and they have not received any payments other than remuneration in terms of their employment contract \$190,846 in 2021 3

Plant Disposal 2020 4

F2 Other relationships

F2-1 Audit fees

	2021 \$ '000	2020 \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	91	76
Remuneration for audit and other assurance services	91	76
Total Auditor-General remuneration	91	76
Total audit fees	91	76

G Other matters

Statement of Cash Flows information

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

	2021	2020
	\$ '000	\$ '000
Net operating result from Income Statement	4,878	(11,033)
Adjust for non-cash items:		
Depreciation and amortisation	9,793	8,982
Net losses/(gains) on disposal of assets	(449)	2,598
Non-cash distribution from dissolution of Associate	321	2,5-3-6723
Adoption of AASB 15/1058		(4,634)
Reversal of prior year IPP&E revaluation decrements / impairment previous	ly costed	
direct to the P&L	(614)	8.5
Losses/(gains) recognised on fair value re-measurements through the P&L		
 Revaluation decrements / impairments of IPP&E direct to P&L 		17,198
Share of net (profits)/losses of associates/joint ventures using the equity me	ethod (50)	10
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	327	282
Increase/(decrease) in provision for impairment of receivables	15	41
Decrease/(increase) in other current assets	(35)	(12)
Increase/(decrease) in payables	(25)	(459)
Increase/(decrease) in other accrued expenses payable	(777)	1,017
Increase/(decrease) in other liabilities	(54)	530
Increase/(decrease) in contract liabilities	4,768	956
Increase/(decrease) in provision for employee benefits	98	211
Increase/(decrease) in other provisions	2,620	11
Net cash provided from/(used in) operating activities		
from the Statement of Cash Flows	20,816	15,698
(b) Non-cash investing and financing activities		
Non-cash distribution from dissolution of Central Murray County Council (CI	MCC) (224)	
지시 : 지는		-
Total non-cash investing and financing activities	(321)	

Non-cash distribution from dissolution of Central Murray County Council (CMCC)	(321)	-
Total non-cash investing and financing activities	(321)	- 2

G2-1 Commitments

Capital commitments (exclusive of GST)		
	2021 \$ '000	2020 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	5,099	542
Open space and recreational assets	439	200
Water infrastructure	24	486
Sewer infrastructure	241	338
Roads	860	250
Motor vehicles and major plant acquisitions	154	555
ERC Merger projects	343	2,323
Total commitments	7,160	4,694
These expenditures are payable as follows:		
Within the next year	7,160	4,694
Total payable	7,160	4,694
Sources for funding of capital commitments:		
Unrestricted general funds	646	1,547
Externally restricted reserves	6,514	3,147
Total sources of funding	7,160	4,694

Commitments exist for various grant funded projects including the Civic Place Redevelopment, roads, water and sewer projects.

G3-1 Events occurring after the reporting date

Details of capital commitments

Council is aware of the following 'non-adjusting events' that merit disclosure:

Central Murray Regional Library (CMRL) was formally dissolved on 30th June 2021, however no distribution had occured as at that date. The Council has elected to account for the dissolution when distribution of the asssets and liabilities occurs in 2022.

G4 Changes from prior year statements

G4-1 Correction of errors

Nature of prior-period error

- Council discovered that in 2020, income relating to project works for Transport for NSW amounting to \$740,768 was recorded twice in error. This resulted in an overstatement of both User Charges and Fees in the Income Statement and Receivables -User Charges and fees in the Statement of Financial Position by the same amount.
- 2. Council with the assistance of an independent valuer, revalued Crown and Community land in 2020 at market values. However, the valuer did not discount the land values to reflect the restricted use of the land in accordance with AASB 13 'Fair Value Measurement''. Council has now changed the revaluation methodology of crown and community land retrospectively to apply discounting to market values provided by independent valuer resulting in a correction amounting to \$10,209K (\$8,761K for crown land and \$1,448K for community land).

The above errors had no impact on the Statement of Financial Position as of 1 July, 2019.

The errors identified above have been corrected by restating the balances as of 30 June 2020 and taking the adjustment through to accumulated surplus at that date.

Comparatives figures have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

Adjustments to the comparative figures for the year ended 30 June 2020

Statement of Financial Position

	Original Balance 30 June, 2020 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2020 \$ '000
Receivables	4,054	(741)	3,313
Infrastructure, property, plant and equipment	440,606	(10,209)	430,397
Total assets	489,720	(10,950)	478,770
Net assets	481,063	(10,950)	470,113
Accumulated surplus	432,908	(6,572)	426,336
Revaluation Reserves	48,155	(4,378)	43,777
Total equity	481,063	(10,950)	470,113

Income Statement

	Original Balance 30 June, 2020 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2020 \$ '000
User charges and fees	7,114	(741)	6,373
Total income from continuing operations	38,408	(741)	37,667
Depreciation, amortisation and impairment for non-financial assets	20,349	5,831	26,180
Net operating result for the year	(4,461)	(6,572)	(11,033)

G4-1 Correction of errors (continued)

Statement of Comprehensive Income

	Original Balance 30 June, 2020 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2020 \$ '000
Net operating result for the year	(4,461)	(6,572)	(11,033)
Gain (loss) on revaluation of IPPE	48,155	(4,378)	43,777
Other comprehensive income	46,964	(4,378)	43,777
Total comprehensive income for the year	42,503	(10,950)	32,744

G5 Statement of developer contributions as at 30 June 2021

G5-1 Summary of developer contributions

	Opening	Contributio received during t		Interest and			Held as restricted	Cumulative balance of internal
	balance at 1 July 2020	Cash	Non-cash	investment income earned	Amounts expended	Internal borrowings	asset at 30 June 2021	borrowings (to)/from
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Roads	11	-	(-	8.00	-	-	11	-
Parking	8	-	(40)	100	~	-	8	-
Open space	4	97	(m)	35-		- 1	4	-
Community facilities	9	-	3 + 3	5 =	=	-	9	-
Other	1	126		-	-	(126)	1	
S7.11 contributions – under a plan	33	126	-	-	=	(126)	33	-
Total S7.11 and S7.12 revenue under plans	33	126	5.5	브루	-	(126)	33	-
S7.11 not under plans	6	Н.	-		2		6	_
Total contributions	39	126		/ / =	2≃	(126)	39	

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G5-2 Developer contributions by plan

	Opening	Contributions received during the year		Interest and			Held as restricted	Cumulative balance of internal
	balance at 1 July 2020 \$ '000	Cash \$ '000	Non-cash \$ '000	investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	asset at 30 June 2021 \$ '000	borrowings (to)/from \$ '000
CONTRIBUTION PLAN (former Deniliquin)								
Roads	11	-	-	7.5	2	~	11	12
Parking	8	-	-	_	<u> </u>	-	8	2
Open space	4	-	-		<u> </u>	-	4	-
Community facilities	9	-			-	-	9	-
Other		126	-		-	(126)	1	
Total	33	126				(126)	33	-

G6 Statement of performance measures

G6-1 Statement of performance measures - consolidated results

	Amounts	Indicator	Indic	ators	Benchmark		
	2021	2021	2020	2019	R		
\$ '000	Restated						
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses 1.2	(522)	(1.91)%	2.21%	10.06%	> 0.00%		
Total continuing operating revenue excluding capital grants and contributions ¹	27,278						
2. Own source operating revenue ratio							
Total continuing operating revenue excluding all grants and contributions 1	18,472	58.47%	55.39%	48.24%	> 60.00%		
Total continuing operating revenue 1	31,592						
3. Unrestricted current ratio							
Current assets less all external restrictions	14,788	4.76x	2.46x	11.78x	> 1.50x		
Current liabilities less specific purpose liabilities	3,106	4.70%	2.40	11.70%	7 1.500		
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amort/sation 1	9,271	80	90	4.42x	> 2.00x		
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	-	15	- X.	7.760	2.000		
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	1,031	6.97%	10.62%	6.00%	< 10.00%		
Rates and annual charges collectable	14,791	0.97 76	10.02/6	0.0078	~ 10.0076		
6. Cash expense cover ratio			12				
Current year's cash and cash equivalents plus all term deposits	46,799	30.41	27.92	30.62	> 3.00		
Monthly payments from cash flow of operating and financing activities	1,539	mths	mths	mths	mths		

⁽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

G6-2 Statement of performance measures by fund

	General Indicators 3		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
\$ '000		Restated				7-676	
1. Operating performance ratio						22	
Total continuing operating revenue excluding capital grants and contributions less operating expenses 1,2	(14.12)%	12.72%	22.54%	(31.83)%	38.86%	(32.36)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions. 1	8 480 22						
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions 1	46.24%	45.64%	98.32%	98.54%	00 200/	99.03%	- co ooo/
Total continuing operating revenue 1	40.24%	45.04%	90.32%	90.34%	98.28%	99.03%	> 60.00%
3. Unrestricted current ratio			•				
Current assets less all external restrictions	4.70.	E 04	02 75	405.04	26.25	40.00	
Current liabilities less specific purpose liabilities	4.76x	5.31x	83.75x	105.24x	36.35x	40.28x	> 1.50x
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation 1	-01 922	9.09	1027	785/5	. 22		. 0.00
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)			00	90	80	**	> 2.00x
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	0.049/	40.540	0.000/	0.000/	0.000/	4.000	40.000
Rates and annual charges collectable	9.94%	12,51%	0.00%	9.69%	0.00%	4.82%	< 10.00%
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	27.49	24.63	(awa)	gur.		100	> 3.00
Monthly payments from cash flow of operating and financing activities	mths	mths	60	90	60	90	mths

^{(1) - (2)} Refer to Notes at Note 24a above.

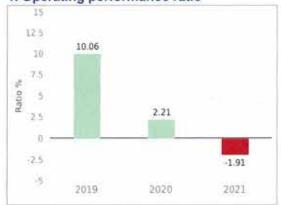
To allow for comparative purposes, a discrepancy totalling \$173,000 has been taken up in 2018 'Income for continuing operations' figures. Code 27 has moved 'Pensioner rate subsidies', previously recognised in 'Special Purpose Grants', into 'Rates and annual charges'. Of the \$173,000. Financial assistance grants were decreased \$78,000 and Special purpose grants were decreased \$95,000. This required a restating of indicator ratios for General, Water and Sewerage. As a result, the ratio percentages for 2018 figures have been slightly changed.

⁽³⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

H Additional Council disclosures (unaudited)

H1-1 Statement of performance measures - consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2020/21 result

2020/21 ratio (1.91)%

Council continues to see a worsening of this ratio from previous years. For the year 2021, the ratio was below the benchmark of < 0.00%. This is mainly as a result of a decrease in operating grants and contributions following the conclusion of merger funded operational projects. In addition, there is upward pressure exerted on depreciation costs as merger funded capital projects conclude and the

upward pressure exerted on depreciation costs as merger funded capital projects conclude and the assets are capitalised. Going forward, Council has a challenge to increase its net operating income from different sources other than grants and contributions.

Benchmark: -

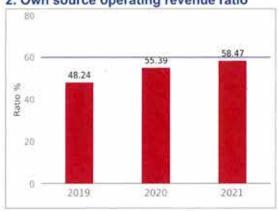
> 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2020/21 result

2020/21 ratio 58.47%

The Own source operating revenue ratio increased slightly from the previous year to sit slightly below the benchmark of 60% for the year 2021. This indicates a slight improvement in Council's ability to cover its operations from own source revenue. Similar to the Operating performance ratio, Council faces the challenge of improving its revenue sources other than grants and contributions going into the future.

Benchmark: -

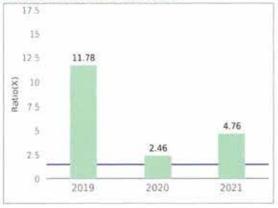
> 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2020/21 result

2020/21 ratio 4.76x

Council has consistently managed to maintain its unrestricted current ratio above the benchmark over the years. This highlights its capacity to meet short term funding obligations.

Benchmark: -

> 1.50x

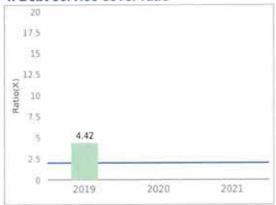
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-1 Statement of performance measures - consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2020/21 result

2020/21 ratio

Council did not have any borrowings during the year ended 30 June 2021.

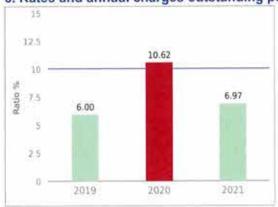
Benchmark: - > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2020/21 result

2020/21 ratio 6.97%

The Rates and annual charges outstanding percentage ratio has decreased to be well within the benchmark for the year 2021. This was due to outstanding debtors collection levels and getting back to normal debtor recovery following the initial worsening situation due to the Covid-19 pandemic in 2020.

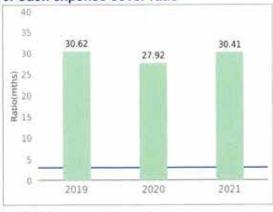
Benchmark: - < 10.00

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2020/21 result

2020/21 ratio 30.41 mths

Council's outstanding cash expense ratio indicates that cash balances are at a level sufficient to support Council's operations for more than 30 months.

Benchmark: - > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

180 Cressy Street Deniliquin NSW 2710

Contact details

Mailing Address:

PO Box 270

Deniliquin NSW 2710

Telephone: 03 5898 3000 Facsimile: 03 5898 3021

Officers

General Manager

Mr Philip Stone

Responsible Accounting Officer

Mrs Rindayi Matienga

Auditors

Audit Office NSW Level 19, Tower 2 Darling Park 201 Sussex St

Sydney NSW 2000

Opening hours:

8.30am to 5.00pm

Monday to Friday

Internet: www.edwardriver.nsw.gov.au Email:

council@edwardriver.nsw.gov.au

Elected members

Mayor

Cr Norm Brennan

Councillors

Cr Pat Fogarty - Deputy Mayor

Cr Peta Betts

Cr Marg Bull

Cr Ashley Hall

Cr Norm McAllister

Cr Peter McCrabb

Cr Nick Metcalfe

Cr Mac Wallace

Other information

ABN:

90 407 359 958

General Purpose Financial Statements for the year ended 30 June 2021



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements Edward River Council

To the Councillors of the Edward River Council

Opinion

I have audited the accompanying financial statements of Edward River 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 2021, the Statement of Financial Position as at 30 June 2021, 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 2021, 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 2021 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 purpose financial statements and 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. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Michael Kharzoo

Director, Financial Audit

M. dhize

Delegate of the Auditor-General for New South Wales

29 October 2021 SYDNEY Cr Norm Brennan Mayor Edward River Council PO Box 270 DENILIQUIN NSW 2710

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2123425/1721

29 October 2021

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2021 Edward River Council

I have audited the general purpose financial statements (GPFS) of the Edward River Council (the Council) for the year ended 30 June 2021 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 2021 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

Rural fire-fighting equipment not recognised in the financial statements

Council did not record rural fire-fighting equipment in the financial statements.

Rural fire fighting equipment, specifically the red fleet vehicles, is controlled by the Council and should be recognised in their financial statements. This is supported by the requirements of the *Rural Fires Act 1997* and service agreements between councils and the RFS.

The Department of Planning, Industry and Environment (inclusive of the Office of Local Government) confirmed in the 'Report on Local Government 2020' (tabled in Parliament on 27 May 2021) their view that rural firefighting equipment is not controlled by the NSW Rural Fire Service.

INCOME STATEMENT

Operating result

	2021 \$m	2020* \$m	Variance %
	ψιιι	Ψιιι	70
Rates and annual charges revenue	13.2	13.1	0.8
Grants and contributions revenue	13.1	16.8	22.0
Operating result from continuing operations	4.9	(11.0)	144.5
Net operating result before capital grants and contributions	0.6	(19.3)	103.1

^{*} The 2020 comparatives have been restated to correct a prior period error. Note G4-2 of the financial statements provides details of the prior period error

The Council's operating result from continuing operations (Surplus of \$4.9 million including depreciation and amortisation expense of \$9.8 million) was \$15.9 million higher than the 2019–20 result. The increase is due to an impairment of Infrastructure, Property, Plant & Equipment of \$17.2 million in the 2019–20 year.

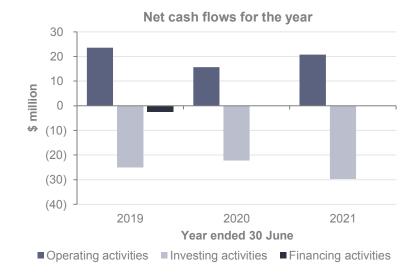
The net operating result before capital grants and contributions (Surplus of \$0.6 million) was \$19.9 million higher than the 2019-20 result. The increase is due to an impairment of Infrastructure, Property, Plant & Equipment of \$17.2 million in the 2019–20 year and a \$2.6 million loss on disposals of assets in the 2019–20 year.

Rates and annual charges revenue (\$13.2 million) increased by \$0.1 million (1.2 per cent) in 2020–21 which is mainly due to a decrease in the total number of rateable properties.

Grants and contributions revenue of \$13.1 million decreased by \$3.7 million (22 per cent) in 2020–21 due to merger funding for stronger communities of \$4.5 million received in 2019-20.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents were \$4.0 million (\$12.9 million for the year ended 30 June 2020). There was a net decrease in cash and cash equivalents of \$8.9 million at 30 June 2021.
- Net cash provided by operating activities has increased by \$5.1 million due to the increase in cash flows for grants and contributions in 2021.
- Net cash used in investing activities further decreased by \$7.4 million from the previous year. This is mainly due to the purchase of additional term deposits in 2021.
- · Council has no borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary	
	\$m	\$m		
Total cash, cash equivalents and investments	46.8	44.7	Externally restricted cash and investments are restricted in their use by externally imposed requirements. The balance has remained stable from the previous year.	
Restricted cash and investments:			Internally restricted cash and investments have been restricted in their use by resolution or policy	
External restrictions	21.8	21.6	of Council to reflect identified programs of works	
 Internal restrictions 	8.6	9.3	and any forward plans identified by Council. These	
Unrestricted	16.4	13.8	have remained stable at \$8.6 million (\$9.3 million at 30 June 2020).	
			 Unrestricted cash and investments was \$16.4 million, which is available to provide liquidity for day-to-day operations of the Council. 	

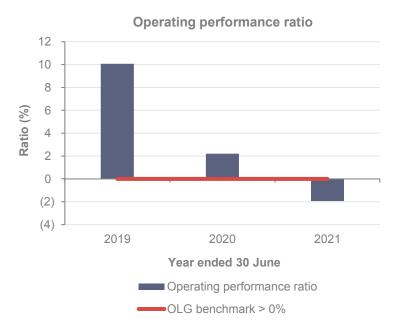
PERFORMANCE

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.

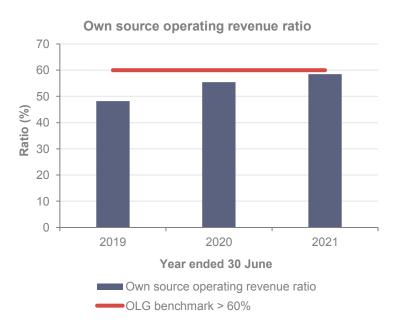
Operating performance ratio

- 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 did not meet the OLG benchmark for the current reporting period.
- The ratio continues to decline consistent with the impact of increasing depreciation expense.
- The 2020 ratio was restated to correct a prior period error.



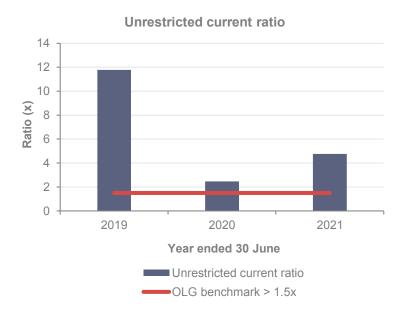
Own source operating revenue ratio

- 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 did not meet the OLG benchmark for the current reporting period. This indicates that the Council is more reliant on external funding sources, such as grants and contributions.
- The own source operating revenue ratio has continued to increase for Council over the assessed time period.
- The 2020 ratio was restated to correct a prior period error.



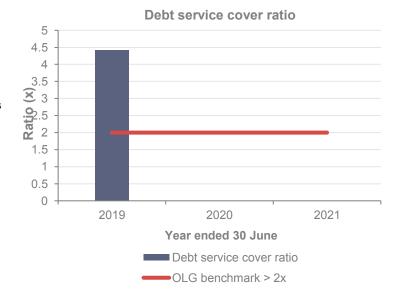
Unrestricted current ratio

- 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's liquidity ratio of 4.76 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The 2020 ratio was restated after correction of a prior period error.



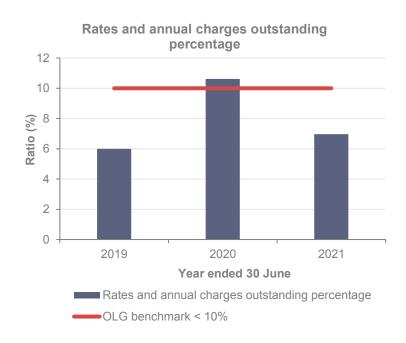
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments.
 The benchmark set by OLG is greater than two times.
- Council fully repaid its borrowings during the 2019-20 year.



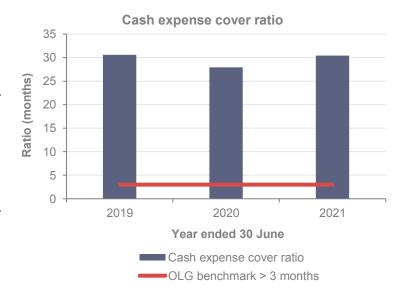
Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.
- The Council's rates and annual charges outstanding ratio of 6.97 per cent is within the industry benchmark of less than 10 per cent for regional and rural councils.
- The rates and annual charges outstanding percentage has decreased for Council as the interest and extra charges receivables have decreased this year.



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's cash expense cover ratio was 30.41 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 30.41 months of operating cash expenditure without additional cash inflows at 30 June 2021.



Infrastructure, property, plant and equipment renewals

The Council renewed \$14.4 million of assets in the 2020-21 financial year, compared to \$16.1 million of assets in the 2019-20 financial year. This decrease is primarily due to a significant renewal of roads amounting to \$6.2 million in the 2019-20 financial year.

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.

Michael Kharzoo

Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Philip Stone, General Manager

Mr Peter Rae, Chair of Audit, Risk and Improvement Committee

Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment









Special Purpose Financial Statements for the year ended 30 June 2021

Special Purpose Financial Statements

for the year ended 30 June 2021

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Background

- These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
 - Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
 - These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and (b) those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities.
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Special Purpose Financial Statements

for the year ended 30 June 2021

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- · the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- · present fairly the operating result and financial position for each of Council's declared business activities for the year,
- · accord with Council's accounting and other records, and
- · present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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 29 October 2021.

Cr Norm Brennan

Mayor

29 October 2021

Cr Peter McCrabb

Delegated Councillor (resolution 2021/137)

29 October 2021

Philip Stone

General Manager

29 October 2021

Rindayi Matienga

Responsible Accounting Officer

29 October 2021

Income Statement of water supply business activity

for the year ended 30 June 2021

	2021	2020
	\$ '000	\$ '000
Income from continuing operations		
Access charges	1,396	1,362
User charges	1,851	1,860
Interest	65	217
Grants and contributions provided for non-capital purposes	62	51
Reversal of revaluation decrements of IPPE previously expensed	318	-
Total income from continuing operations	3,692	3,490
Expenses from continuing operations		
Employee benefits and on-costs	528	503
Materials and services	1,558	1,336
Depreciation, amortisation and impairment	774	751
Loss on sale of assets	100	103
Revaluation decrement of infrastructure, property, plant and equipment	-	1,636
Other expenses	-	272
Total expenses from continuing operations	2,860	4,601
Surplus (deficit) from continuing operations before capital amounts	832	(1,111)
Surplus (deficit) from continuing operations after capital amounts	832	(1,111)
Surplus (deficit) from all operations before tax	832	(1,111)
Less: corporate taxation equivalent [based on result before capital]	(216)	-
Surplus (deficit) after tax	616	(1,111)
Plus accumulated surplus	40,716	43,134
Plus adjustments for amounts unpaid:		
Corporate taxation equivalent	216	
Closing accumulated surplus	41,548	42,023
Return on capital %	2.5%	(3.3)%
Subsidy from Council	=	1,404
Calculation of dividend payable:		
Surplus (deficit) after tax	616	(1,111)
Less: capital grants and contributions (excluding developer contributions)	(<u>*</u>	18
Surplus for dividend calculation purposes	616	72
Potential dividend calculated from surplus	114	-

Income Statement of sewerage business activity

for the year ended 30 June 2021

	2021	2020
	\$ '000	\$ '000
Income from continuing energions		
Income from continuing operations	2 022	2,949
Access charges User charges	3,022 286	2,949
Fees	9	28
Interest	54	153
Grants and contributions provided for non-capital purposes	64	33
Reversal of revaluation decrements of IPPE previously expensed	296	_
Total income from continuing operations	3,731	3,418
Total income from continuing operations	0,701	0,410
Expenses from continuing operations		
Employee benefits and on-costs	399	368
Materials and services	1,232	1,064
Depreciation, amortisation and impairment	650	675
Revaluation decrement of infrastructure, property, plant and equipment	-	2,255
Other expenses	-	162
Total expenses from continuing operations	2,281	4,524
Surplus (deficit) from continuing operations before capital amounts	1,450	(1,106)
Surplus (deficit) from continuing operations after capital amounts	1,450	(1,106)
Surplus (deficit) from all operations before tax	1,450	(1,106)
Less: corporate taxation equivalent [based on result before capital]	(377)	_
Surplus (deficit) after tax	1,073	(1,106)
Plus accumulated surplus	34,416	37,010
Plus adjustments for amounts unpaid: - Corporate taxation equivalent	377	
Closing accumulated surplus	35,866	35,904
Return on capital %	4.7%	(3.7)%
Subsidy from Council	_	1,372
Calculation of dividend payable:		
Surplus (deficit) after tax	1,073	(1,106)
Less: capital grants and contributions (excluding developer contributions)	_	33
Surplus for dividend calculation purposes	1,073	-
Potential dividend calculated from surplus	104	_

Statement of Financial Position of water supply business activity as at 30 June 2021

	2021	2020
	\$ '000	\$ '000
ASSETS		
Current assets		
Cash and cash equivalents	2,658	2,972
Investments	5,391	5,391
Receivables	577	477
Total current assets	8,626	8,840
Non-current assets		
Infrastructure, property, plant and equipment	33,025	33,267
Total non-current assets	33,025	33,267
Total assets	41,651	42,107
LIABILITIES		
Current liabilities		
Payables	103	84
Total current liabilities	103	84
Total liabilities	103	84
Net assets	41,548	42,023
EQUITY		
Accumulated surplus	41,548	42,023
Total equity	41,548	42,023
	The second secon	

Statement of Financial Position of sewerage business activity as at 30 June 2021

	2021	2020
	\$ '000	\$ '000
ASSETS		
Current assets		
Cash and cash equivalents	1,835	2,281
Investments	3,242	3,242
Receivables	267	277
Total current assets	5,344	5,800
Non-current assets		
Infrastructure, property, plant and equipment	30,669	30,248
Total non-current assets	30,669	30,248
Total assets	36,013	36,048
LIABILITIES		
Current liabilities		
Payables	147	144
Total current liabilities	147	144
Total liabilities	147	144
Net assets	35,866	35,904
EQUITY		
Accumulated surplus	35,866	35,904
Total equity	35,866	35,904

Note - Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act 1993 (Act), the Local Government (General) Regulation 2005 (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

- a. Water business activity
- b. Sewer business activity

Category 2

(where gross operating turnover is less than \$2 million)

Nil

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate - 27.5%

Note - Significant Accounting Policies (continued)

<u>Land tax</u> – the first \$734,000 of combined land values attracts **0%**. For the combined land values in excess of \$734,001 up to \$4,488,000 the rate is **1.6%** + **\$100**. For the remaining combined land value that exceeds \$4,488,000 a premium marginal rate of **2.0%** applies.

Payroll tax - 5.45% on the value of taxable salaries and wages in excess of \$900,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance to the Dol – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Note - Significant Accounting Policies (continued)

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.49% at 30/6/21.

(iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- · 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements Edward River Council

To the Councillors of the Edward River Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Edward River Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant Accounting Policies note.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2021, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant Accounting Policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code).

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 the 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.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Significant Accounting Policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2021 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 general purpose financial statements and 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. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

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 and for determining that the accounting policies, described in the Significant Accounting Policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes 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.

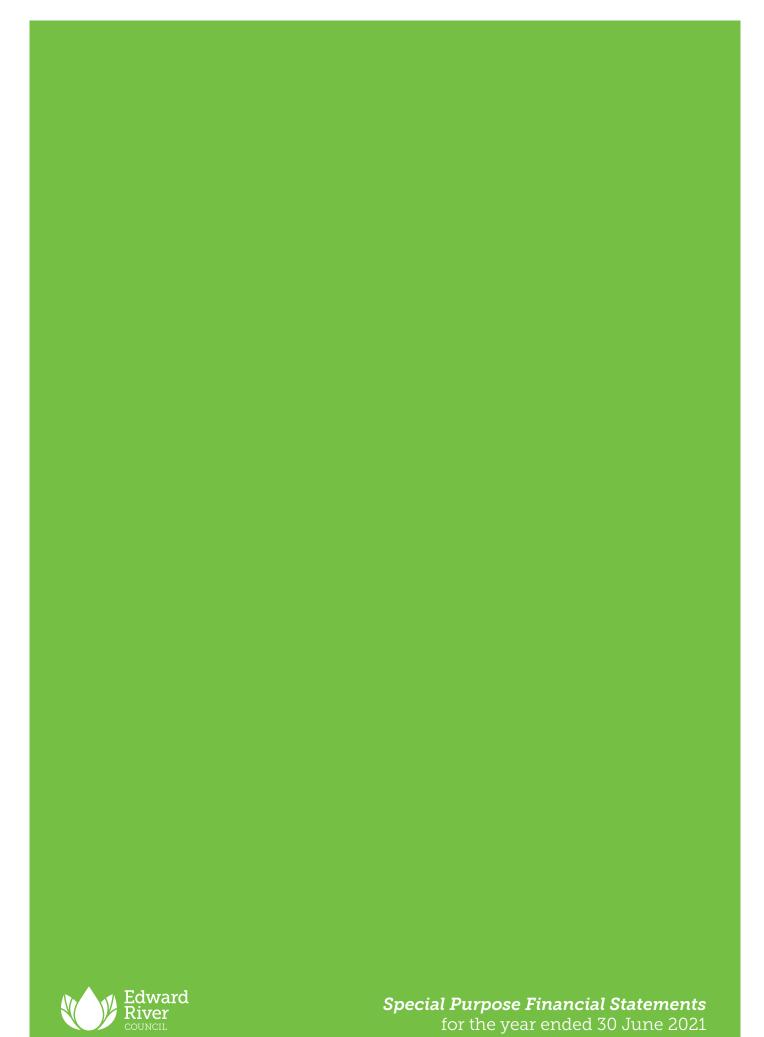
The scope of my audit does not include, nor provide assurance:

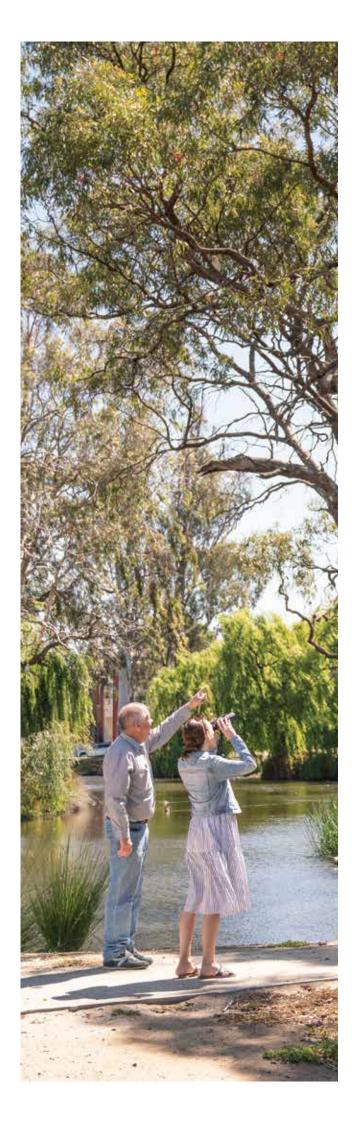
- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Michael Kharzoo Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2021 SYDNEY







Special Schedules for the year ended 30 June 2021

Special Schedules for the year ended 30 June 2021

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Permissible income for general rates

		2020/21	2020/21	2020/21	2020/21	2021/22
			Conargo Shire	Edward River	Edward River	Edward River
		Deniliquin Council	Council	Council	Council	Council
	Notes	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Notional general income calculation 1						
Last year notional general income yield	а	4,738	2,723	_	7,461	7,421
Plus or minus adjustments ²	b	(5)	(35)	_	(40)	6
Notional general income	c = a + b	4,733	2,688	-	7,421	7,427
Permissible income calculation						
Or rate peg percentage	е	2.60%	2.60%	0.00%		2.00%
Or plus rate peg amount	$i = e \times (c + g)$	123	70	_	193	149
Sub-total	k = (c + g + h + i + j)	4,856	2,758	-	7,614	7,576
Plus (or minus) last year's carry forward total	1	(22)	19	_	(3)	190
Sub-total	n = (I + m)	(22)	19	-	(3)	190
Total permissible income	o = k + n	4,834	2,777	_	7,611	7,766
Less notional general income yield	р	4,731	2,690	_	7,421	7,769
Catch-up or (excess) result	q = o - p	103	87	-	190	(3)
Carry forward to next year ⁶	t = q + r + s	103	87	_	190	(3)

Notes

⁽¹⁾ The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

⁽²⁾ Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.

⁽⁶⁾ Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Report on infrastructure assets as at 30 June 2021

Buildings I	Asset Category	standard	service set by Council	2020/21 Required maintenance	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)				a percen ent cost	itage of
Ī		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Ī	Buildings – non-specialised	264	264	84	91	10,654	14,735	13.0%	50.0%	30.0%	7.0%	0.0%
	Buildings – specialised	801	801	267	288	33,897	55,689	18.0%		27.0%	13.0%	1.0%
	Sub-total	1,065	1,065	351	379	44,551	70,424	17.0%		27.6%	11.7%	0.8%
Other (Other structures	107	107	42	42	17,077	19,723	24.0%	51.0%	17.0%	8.0%	0.0%
	Sub-total	107	107	42	42	17,077	19,723	24.0%	51.0%	17.0%	8.0%	0.0%
Roads	Sealed roads	3,923	3,923	1,393	1,232	177,034	239,148	12.0%	26.0%	55.0%	6.0%	1.0%
	Unsealed roads	523	523	1,164	840	· –	, <u> </u>	23.0%	28.0%	27.0%	22.0%	0.0%
I .	Bridges	69	69	73	69	7,090	10,564	14.0%	54.0%	32.0%	0.0%	0.0%
ı	Footpaths and kerb and gutter	397	397	356	448	17,501	26,303	6.0%	27.0%	61.0%	5.0%	1.0%
(Other road assets	_	_	50	51	3,853	4,766	33.0%	30.0%	37.0%	0.0%	0.0%
[Bulk earthworks	_	_	_	_	33,136	33,136	24.0%	1.0%	75.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	_	_	_	_	_	_	0.0%	0.0%	0.0%	0.0%	0.0%
_	Sub-total	4,912	4,912	3,036	2,640	238,614	313,917	13.2%	24.4%		5.0%	0.8%
Water supply	Water supply network	773	773	978	884	35,135	61,597	6.0%	27.0%	47.0%	16.0%	4.0%
	Sub-total	773	773	978	884	35,135	61,597	6.0%	27.0%	47.0%	16.0%	4.0%
Sewerage S	Sewerage network	649	649	763	689	32,421	59,354	23.0%	28.0%	13.0%	18.0%	18.0%
	Sub-total	649	649	763	689	32,421	59,354	23.0%	28.0%	13.0%	18.0%	18.0%
Stormwater	Stormwater drainage	363	363	94	85	25,261	37,425	32.0%	32.0%	26.0%	8.0%	2.0%
	Sub-total	363	363	94	85	25,261	37,425	32.0%	32.0%	26.0%	8.0%	2.0%

Report on infrastructure assets as at 30 June 2021 (continued)

Asset Class Asset Category	Asset Category	Estimated cost to bring assets to satisfactory standard	agreed level of service set by	2020/21 Required naintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)		in condi gross re			ntage of
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space /	Swimming pools	86	86	148	135	4,218	5,316	21.0%	57.0%	19.0%	3.0%	0.0%
recreational	Other open space/ recreational	277	277	504	721	8,404	11,049	45.0%	25.0%	14.0%	15.0%	1.0%
assets	Sub-total	363	363	652	856	12,622	16,365	37.2%	35.4%	15.6%	11.1%	0.7%
	Total – all assets	8,232	8,232	5,916	5,575	405,681	578,805	16.1%	29.0%	43.1%	8.8%	3.0%

⁽a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

Condition Integrated planning and reporting (IP&R) description

1 Excellent/very good No work required (normal maintenance)
2 Good Only minor maintenance work required

3 Satisfactory Maintenance work required

4 Poor Renewal required

5 Very poor Urgent renewal/upgrading required

Report on infrastructure assets as at 30 June 2021

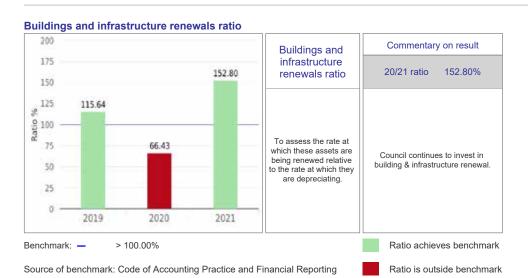
Infrastructure asset performance indicators (consolidated) *

	Amounts	Indicator	Indic	ators	Benchmark
	2021	2021	2020	2019	
\$ '000			Restated		
Buildings and infrastructure renewals ratio					
Asset renewals 1	11,746	4.50.000/	00.400/	4.45.040/	400.000/
Depreciation, amortisation and impairment	7,687	152.80%	66.43%	115.64%	> 100.00%
Infrastructure backlog ratio Estimated cost to bring assets to a satisfactory standard	8,232	1.99%	3.09%	2.40%	< 2.00%
Net carrying amount of infrastructure assets	414,451				
Asset maintenance ratio					
Actual asset maintenance	5,575	04.040/	440.400/	00.400/	- 400 000/
Required asset maintenance	5,916	94.24%	113.12%	99.40%	> 100.00%
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council	8,232	1.42%	2.22%	1.70%	
Gross replacement cost	578,805				

^(*) All asset performance indicators are calculated using classes identified in the previous table.

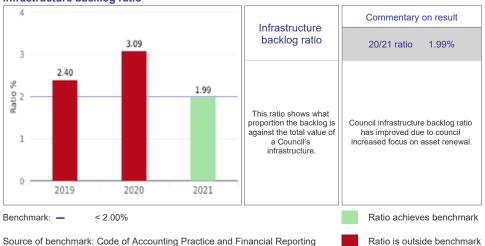
⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Report on infrastructure assets as at 30 June 2021

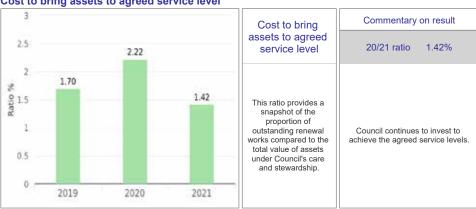




Infrastructure backlog ratio



Cost to bring assets to agreed service level



Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

	General fund		Water fund		Sewer fund		Benchmark	
\$ '000	2021	2020	2021	2020	2021	2020		
Buildings and infrastructure renewals ratio Asset renewals ¹ Depreciation, amortisation and impairment	170.75%	92.71%	0.00%	26.31%	0.00%	0.00%	> 100.00%	
Infrastructure backlog ratio Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	1.96%	3.15%	2.20%	3.15%	2.00%	2.32%	< 2.00%	
Asset maintenance ratio Actual asset maintenance Required asset maintenance	95.86%	99.03%	90.39%	127.43%	90.30%	224.91%	> 100.00%	
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	1.49%	2.40%	1.25%	1.80%	1.09%	1.24%		

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates Edward River Council

To the Councillors of Edward River Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Edward River Council (the Council) for the year ending 30 June 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule 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 general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets' as at 30 June 2021.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule 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 Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, 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 Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is 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 Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors responsibilities/ar8.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
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

Michael Kharzoo

Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2021

SYDNEY

