

# Warren Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2024

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# Warren Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

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### Overview

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

115 Dubbo Street  
WARREN NSW 2824

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.warren.nsw.gov.au](http://www.warren.nsw.gov.au)

# Warren Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

##### 4. The Statement of Changes in Equity

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

# Warren Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2024

### Statement by Councillors and Management

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

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

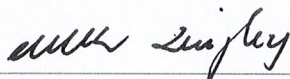
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 22 August 2024.



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Dr Milton Quigley  
Mayor  
22 August 2024



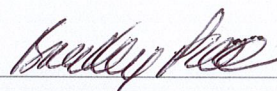
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Mrs Sarah Derrett  
Councillor  
22 August 2024



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Mr Gary Woodman  
General Manager  
22 August 2024



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Mr Bradley Pascoe  
Divisional Manager of Finance &  
Administration  
22 August 2024

## Warren Shire Council

### Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Notes	Actual 2024 \$ '000	Actual 2023 \$ '000
	<b>Income from continuing operations</b>			
6,814	Rates and annual charges	B2-1	6,831	6,553
1,334	User charges and fees	B2-2	4,665	2,727
323	Other revenues	B2-3	464	418
32,120	Grants and contributions provided for operating purposes	B2-4	15,456	17,015
–	Grants and contributions provided for capital purposes	B2-4	3,738	2,916
434	Interest and investment income	B2-5	562	468
130	Other income	B2-6	143	118
–	Net gain from the disposal of assets	B4-1	–	40
41,155	<b>Total income from continuing operations</b>		<b>31,859</b>	<b>30,255</b>
	<b>Expenses from continuing operations</b>			
6,716	Employee benefits and on-costs	B3-1	7,303	7,015
8,625	Materials and services	B3-2	9,728	6,603
97	Borrowing costs	B3-3	95	99
4,359	Depreciation, amortisation and impairment of non-financial assets	B3-4	3,672	4,239
235	Other expenses	B3-5	358	345
–	Net loss from the disposal of assets	B4-1	534	–
20,032	<b>Total expenses from continuing operations</b>		<b>21,690</b>	<b>18,301</b>
21,123	<b>Operating result from continuing operations</b>		<b>10,169</b>	<b>11,954</b>
21,123	<b>Net operating result for the year attributable to Council</b>		<b>10,169</b>	<b>11,954</b>
–	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>6,431</b>	<b>9,038</b>

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

## Warren Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>10,169</b>	11,954
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>11,495</u>	<u>16,221</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>11,495</b>	16,221
<b>Total other comprehensive income for the year</b>		<b>11,495</b>	16,221
<b>Total comprehensive income for the year attributable to Council</b>		<b>21,664</b>	28,175

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

## Warren Shire Council

### Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	11,971	17,468
Receivables	C1-3	10,491	6,410
Inventories	C1-4	916	850
Other		39	38
<b>Total current assets</b>		<b>23,417</b>	<b>24,766</b>
<b>Non-current assets</b>			
Receivables	C1-3	354	256
Infrastructure, property, plant and equipment (IPPE)	C1-5	257,493	236,361
Investments accounted for using the equity method	D2-2	102	88
<b>Total non-current assets</b>		<b>257,949</b>	<b>236,705</b>
<b>Total assets</b>		<b>281,366</b>	<b>261,471</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	1,641	1,771
Contract liabilities	C3-2	2,232	3,881
Borrowings	C3-3	167	163
Employee benefit provisions	C3-4	1,541	1,391
<b>Total current liabilities</b>		<b>5,581</b>	<b>7,206</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	3,356	3,523
Employee benefit provisions	C3-4	86	63
<b>Total non-current liabilities</b>		<b>3,442</b>	<b>3,586</b>
<b>Total liabilities</b>		<b>9,023</b>	<b>10,792</b>
<b>Net assets</b>		<b>272,343</b>	<b>250,679</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	141,861	131,692
IPPE revaluation reserve	C4-1	130,482	118,987
<b>Council equity interest</b>		<b>272,343</b>	<b>250,679</b>
<b>Total equity</b>		<b>272,343</b>	<b>250,679</b>

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

## Warren Shire Council

### Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	2024			2023		
		Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPPE revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		131,692	118,987	250,679	119,738	102,766	222,504
Net operating result for the year		10,169	–	10,169	11,954	–	11,954
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	11,495	11,495	–	16,221	16,221
<b>Other comprehensive income</b>		–	11,495	11,495	–	16,221	16,221
<b>Total comprehensive income</b>		10,169	11,495	21,664	11,954	16,221	28,175
<b>Closing balance at 30 June</b>		141,861	130,482	272,343	131,692	118,987	250,679

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



## Warren Shire Council

## Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024 \$ '000		Actual 2024 \$ '000	Actual 2023 \$ '000
	Notes		
<b>Cash flows from operating activities</b>			
<i>Receipts:</i>			
6,784	Rates and annual charges	6,733	6,420
2,025	User charges and fees	4,286	2,418
434	Interest received	496	448
32,120	Grants and contributions	16,420	17,200
–	Bonds, deposits and retentions received	–	8
585	Other	378	1,287
<i>Payments:</i>			
(6,716)	Payments to employees	(7,127)	(7,085)
(9,751)	Payments for materials and services	(11,019)	(6,689)
(97)	Borrowing costs	(95)	(99)
(1,214)	Other	(1,606)	(1,171)
24,170	<b>Net cash flows from operating activities</b>	<b>8,466</b>	<b>12,737</b>
	G1-1		
<b>Cash flows from investing activities</b>			
<i>Receipts:</i>			
278	Proceeds from sale of IPPE	221	351
4	Deferred debtors receipts	4	11
<i>Payments:</i>			
(24,289)	Payments for IPPE	(14,025)	(8,247)
(24,007)	<b>Net cash flows from investing activities</b>	<b>(13,800)</b>	<b>(7,885)</b>
<b>Cash flows from financing activities</b>			
<i>Payments:</i>			
(163)	Repayment of borrowings	(163)	(159)
(163)	<b>Net cash flows from financing activities</b>	<b>(163)</b>	<b>(159)</b>
–	<b>Net change in cash and cash equivalents</b>	<b>(5,497)</b>	<b>4,693</b>
–	Cash and cash equivalents at beginning of year	17,468	12,775
–	<b>Cash and cash equivalents at end of year</b>	<b>11,971</b>	<b>17,468</b>
	C1-1		

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

# Warren Shire Council

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## Warren Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 22 August 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

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

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) employee benefit provisions – refer Note C3-4

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

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

- General purpose operations
- Water service
- Sewerage service

#### **Volunteer services**

Council's Information Centre re-opened in 2023 in a new location at the Windows on the Wetlands area when the appointment of a Tourism Manager was finalised. The Information Centre is occasionally manned by residents of Warren on an adhoc volunteer basis, the cost cannot be reliably measured therefore it has not been included in the Income Statement.

## A1-1 Basis of preparation (continued)

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

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

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

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

### New accounting standards adopted during the year

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 2024.

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

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

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

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

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

## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Functions or activities</b>										
Social	382	1,870	1,068	1,133	(686)	737	264	1,697	4,802	4,675
Economic	1,013	1,749	902	1,277	111	472	1,073	1,474	4,501	4,438
Infrastructure	17,468	12,676	12,893	9,598	4,575	3,078	13,272	10,834	204,158	186,248
Environmental	2,937	3,106	2,511	2,976	426	130	811	1,032	38,980	37,051
Governance	481	420	4,316	3,317	(3,835)	(2,897)	-	23	28,925	29,059
General Purpose Revenues	9,578	10,434	-	-	9,578	10,434	3,774	4,871	-	-
<b>Total functions and activities</b>	<b>31,859</b>	<b>30,255</b>	<b>21,690</b>	<b>18,301</b>	<b>10,169</b>	<b>11,954</b>	<b>19,194</b>	<b>19,931</b>	<b>281,366</b>	<b>261,471</b>

## B1-2 Components of functions or activities

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

### **Social**

Includes income and expenses relating to Fire Protection, Animal Control, Health, Youth Services, Community Services, Public Cemeteries and Council Housing etc.

### **Economic**

Includes income & expenses relating to Tourism, Economic Development, and other Business Undertakings.

### **Infrastructure**

Includes Income and Expenditure for Roads, Bridges, Footpaths, Recreation, Aerodrome, Parking Areas and CBD.

### **Environmental**

Includes income and expenses for both Domestic and Industry Waste, Stormwater, Levee Protection, Water and Sewerage Services

### **Governance**

Includes income and expenses for Governance and Administration.

### **General Purpose Revenues**

Includes income from General Rates, General Fund Interest on Investments and Overdue Rates, Financial Assistance Grants and General Fund Pensioner Subsidy Rebates.

## B2 Sources of income

### B2-1 Rates and annual charges

	2024 \$ '000	2023 \$ '000
<b>Ordinary rates</b>		
Residential	697	672
Farmland	4,484	4,323
Business	221	217
Less: pensioner rebates (mandatory)	(36)	(34)
<b>Rates levied to ratepayers</b>	<b>5,366</b>	<b>5,178</b>
Pensioner rate subsidies received	20	19
<b>Total ordinary rates</b>	<b>5,386</b>	<b>5,197</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	341	328
Water supply services	548	512
Sewerage services	579	539
Less: pensioner rebates (mandatory) – Domestic waste	(18)	(17)
Less: pensioner rebates (mandatory) – Water supply services	(17)	(17)
Less: pensioner rebates (mandatory) – Sewerage services	(16)	(15)
<b>Annual charges levied</b>	<b>1,417</b>	<b>1,330</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	10	9
– Water	9	9
– Sewerage	9	8
<b>Total annual charges</b>	<b>1,445</b>	<b>1,356</b>
<b>Total rates and annual charges</b>	<b>6,831</b>	<b>6,553</b>

Council has used 01/07/2022 year valuations provided by the NSW Valuer General in calculating its rates.

#### Material accounting policy information

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.

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	2024 \$ '000	2023 \$ '000
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Domestic waste management services	2	39	22
Water supply services	2	319	355
Sewerage services	2	44	62
<b>Total specific user charges</b>		<b>402</b>	<b>439</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Inspection services	2	–	1
Planning and building regulation	2	25	21
Private works – section 67	2	5	360
Registration fees	2	1	2
Section 10.7 certificates (EP&A Act)	2	6	10
Section 603 certificates	2	7	7
<b>Total fees and charges – statutory/regulatory</b>		<b>44</b>	<b>401</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Aerodrome	2	16	10
Cemeteries	2	28	45
Lease rentals	2	1	–
Leaseback fees – Council vehicles	2	80	79
Multipurpose centre	2	30	26
Sporting Grounds, Reserves & Parks User Fees	2	93	50
Quarry revenues	2	4	15
Transport for NSW works (state roads not controlled by Council)	2	3,932	1,608
Swimming centres	2	20	18
Water connection fees	2	9	31
Other	2	6	5
<b>Total fees and charges – other</b>		<b>4,219</b>	<b>1,887</b>
<b>Total other user charges and fees</b>		<b>4,263</b>	<b>2,288</b>
<b>Total user charges and fees</b>		<b>4,665</b>	<b>2,727</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised at a point in time (2)		4,665	2,727
<b>Total user charges and fees</b>		<b>4,665</b>	<b>2,727</b>

### Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as ad-hoc facility hire, the customer is required to pay 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 revenues

	Timing	2024 \$ '000	2023 \$ '000
Fines	2	1	–
Legal fees recovery – other	2	–	1
Commissions and agency fees	1	89	85
Diesel rebate	1	90	74
Insurance claims recoveries	2	146	29
Sales – general	1	57	75
Swimming pool canteen sales	2	28	25
WHS incentive payment	2	19	47
NSW OLG - ESL reimbursement	2	–	51
Motor vehicle insurance rebate	2	3	8
NCBA - Energy Saving Certificates	1	1	–
Sale of Scrap Metal	2	17	16
Procurement Rebates	2	1	–
Sale of Old Materials	2	6	1
Other	1	6	6
<b>Total other revenue</b>		<b>464</b>	<b>418</b>
<b>Timing of revenue recognition for other revenue</b>			
Other revenue recognised over time (1)		230	240
Other revenue recognised at a point in time (2)		234	178
<b>Total other revenue</b>		<b>464</b>	<b>418</b>

## B2-4 Grants and contributions

		Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
	Timing				
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance	2	228	1,045	-	-
<b>Payment in advance - future year allocation</b>					
Financial assistance	2	3,548	3,826	-	-
<b>Amount recognised as income during current year</b>					
		<b>3,776</b>	<b>4,871</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Water supplies	1	-	-	363	33
Parental leave scheme	1	18	-	-	-
Employment and training programs	1	-	23	-	-
Environmental programs	1	117	-	-	-
Youth services	1	95	119	-	-
Library – per capita	2	13	14	-	-
Library – special projects	2	58	55	316	-
Recreation and culture	1	31	23	89	366
Storm/flood damage	1	5,397	3,795	-	-
Street lighting	1	31	30	-	-
Transport (roads to recovery)	1	655	655	-	-
Transport (other roads and bridges funding)	1	132	2,812	167	82
Business development	1	3	-	-	-
Warren Levee Rehabilitation	1	-	-	70	-
Showground/Racecourse Upgrades	1	672	499	-	-
Fixing Local Roads Program	1	913	421	-	-
Local Roads & Community Infrastructure Program	1	464	2	-	-
Warren Airport Upgrade	1	123	2	-	-
Covid-19 Support Program - OLG	1	-	29	-	-
Federal Government Drought Projects	1	206	322	-	-
MDBA Regional Infrastructure Improvements	1	719	1,030	-	-
Swimming Pool Amenities - SCCF R5	1	-	6	218	-
<b>Previously contributions:</b>					
Bushfire services	1	138	310	-	-
Recreation and culture	1	-	69	-	-
Roads and bridges	1	-	-	2,506	835
Transport for NSW contributions (regional roads, block grant)	1	1,778	1,865	9	391
Other contributions	1	29	-	-	-
Library	1	88	63	-	-
<b>Total special purpose grants and non-developer contributions – cash</b>					
		<b>11,680</b>	<b>12,144</b>	<b>3,738</b>	<b>1,707</b>
<b>Non-cash contributions</b>					
Bushfire services	1	-	-	-	1,209
<b>Total other contributions – non-cash</b>					
		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,209</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>					
		<b>11,680</b>	<b>12,144</b>	<b>3,738</b>	<b>2,916</b>
<b>Total grants and non-developer contributions</b>					
		<b>15,456</b>	<b>17,015</b>	<b>3,738</b>	<b>2,916</b>

## B2-4 Grants and contributions (continued)

Timing	Operating 2024 \$ '000	Operating 2023 \$ '000	Capital 2024 \$ '000	Capital 2023 \$ '000
<b>Comprising:</b>				
– Commonwealth funding	5,231	1,913	1,136	149
– State funding	10,225	12,687	2,602	2,767
– Other funding	–	2,415	–	–
	<b>15,456</b>	<b>17,015</b>	<b>3,738</b>	<b>2,916</b>

### Unspent grants and contributions

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

	Operating 2024 \$ '000	Operating 2023 \$ '000
<b>Unspent grants and contributions</b>		
Unspent funds at 1 July	7,843	3,476
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4,487	5,739
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(5,471)	(1,372)
<b>Unspent funds at 30 June</b>	<b>6,859</b>	<b>7,843</b>
<b>Contributions</b>		
Unspent funds at 1 July	426	236
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	420
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(420)	(230)
<b>Unspent contributions at 30 June</b>	<b>6</b>	<b>426</b>

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

## B2-4 Grants and contributions (continued)

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

### **Other grants and contributions**

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

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

## B2-5 Interest and investment income

	2024 \$ '000	2023 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	50	23
– Cash and investments	512	445
<b>Total interest and investment income (losses)</b>	<b>562</b>	<b>468</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	27	11
General Council cash and investments	389	355
<b>Restricted investments/funds – external:</b>		
Water fund operations	41	31
Sewerage fund operations	100	68
Domestic waste management operations	5	3
<b>Total interest and investment income</b>	<b>562</b>	<b>468</b>

## B2-6 Other income

	2024 \$ '000	2023 \$ '000
<b>Rental income</b>		
<b>Other lease income</b>		
Other	129	105
<b>Total other lease income</b>	<b>129</b>	<b>105</b>
<b>Total rental income</b>	<b>129</b>	<b>105</b>
	C2-1	
<b>Net share of interests in joint ventures and associates using the equity method</b>		
Joint ventures	14	13
<b>Total net share of interests in joint ventures and associates using the equity method</b>	<b>14</b>	<b>13</b>
	D2-2	
<b>Total other income</b>	<b>143</b>	<b>118</b>

## B3 Costs of providing services

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

	2024 \$ '000	2023 \$ '000
Salaries and wages	6,104	5,798
Employee leave entitlements (ELE)	604	565
Superannuation	642	571
Workers' compensation insurance	220	254
Fringe benefit tax (FBT)	45	35
<b>Total employee costs</b>	<b>7,615</b>	<b>7,223</b>
Less: capitalised costs	(312)	(208)
<b>Total employee costs expensed</b>	<b>7,303</b>	<b>7,015</b>
Number of 'full-time equivalent' employees (FTE) at year end	73	69

#### Material accounting policy information

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	2024 \$ '000	2023 \$ '000
Consultancy costs		46	–
Raw materials and consumables		8,239	5,328
Contractor costs		10	11
Audit Fees	F2-1	120	82
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	F1-2	194	174
Advertising		53	87
Bank charges		12	12
Electricity and heating		144	166
Insurance		371	334
Postage		8	8
Printing and stationery		49	29
Street lighting		79	73
Subscriptions and publications		60	65
Telephone and communications		63	63
Valuation fees		18	17
Water purchases		32	25
Contribution to north western library co-operative		66	61
Training costs (other than salaries and wages)		157	63
Other expenses		2	1
<b>Legal expenses:</b>			
Expenses from leases of low value assets		5	4
<b>Total materials and services</b>		<b>9,728</b>	<b>6,603</b>
<b>Total materials and services</b>		<b>9,728</b>	<b>6,603</b>

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

## B3-3 Borrowing costs

	2024 \$ '000	2023 \$ '000
<b>(i) Interest bearing liability costs</b>		
Interest on loans	95	99
<b>Total interest bearing liability costs</b>	<b>95</b>	<b>99</b>
<b>Total interest bearing liability costs expensed</b>	<b>95</b>	<b>99</b>
<b>Total borrowing costs expensed</b>	<b>95</b>	<b>99</b>



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

	Notes	2024 \$ '000	2023 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment		1,152	1,075
Office equipment		41	34
Furniture and fittings		22	23
<b>Infrastructure:</b>	C1-5		
– Buildings – non-specialised		202	175
– Buildings – specialised		217	188
– Other structures		124	169
– Roads		1,298	1,711
– Bridges		166	253
– Footpaths		21	42
– Stormwater drainage		29	27
– Swimming pools		48	40
– Water supply network		267	284
– Sewerage network		131	183
– Other open space/recreational assets		131	109
Intangible assets	C1-6	–	24
<b>Total gross depreciation and amortisation costs</b>		<b>3,849</b>	<b>4,337</b>
Less: capitalised costs		(177)	(98)
<b>Total depreciation and amortisation costs</b>		<b>3,672</b>	<b>4,239</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>3,672</b>	<b>4,239</b>

### Material accounting policy information

#### Depreciation and amortisation

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

#### Impairment of non-financial assets

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

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

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

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

## B3-5 Other expenses

	2024 \$ '000	2023 \$ '000
<b>Other</b>		
Contributions/levies to other levels of government		
– Emergency services levy (SES)	13	7
– NSW fire and rescue levy	32	27
– NSW rural fire service levy	176	176
– Contribution to Castlereagh Macquarie County Council	118	114
– Other contributions/levies	12	11
Donations, contributions and assistance to other organisations (Section 356)	7	10
<b>Total other</b>	<b>358</b>	<b>345</b>
<b>Total other expenses</b>	<b>358</b>	<b>345</b>

## B4 Gains or losses

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

	Notes	2024 \$ '000	2023 \$ '000
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		–	56
Less: carrying amount of property assets sold/written off		–	(1)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>55</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-5		
Proceeds from disposal – plant and equipment		221	295
Less: carrying amount of plant and equipment assets sold/written off		(27)	(94)
<b>Gain (or loss) on disposal</b>		<b>194</b>	<b>201</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-5		
Less: carrying amount of infrastructure assets sold/written off		(728)	(216)
<b>Gain (or loss) on disposal</b>		<b>(728)</b>	<b>(216)</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(534)</b>	<b>40</b>

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 22 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	6,814	6,831	17	0% <b>F</b>
<b>User charges and fees</b>	1,334	4,665	3,331	250% <b>F</b>
Increase due to additional revenue from Transport for NSW on non-Council owned road works.				
<b>Other revenues</b>	323	464	141	44% <b>F</b>
Increase in revenue from workers compensation insurance cost recovery.				
<b>Operating grants and contributions</b>	32,120	15,456	(16,664)	(52)% <b>U</b>
Operational grants budgeted for however not received in the reporting period. Flood damage monies budgeted for though not received in the reporting period.				
<b>Capital grants and contributions</b>	-	3,738	3,738	∞ <b>F</b>
Council did not initially budget to receive any capital grants in 2023/2024, although Council received grants for the Warren Road Rehabilitation - \$2,506K, Bridge Replacement - \$167K and Recreational amenities renewal and new asset - \$790K.				
<b>Interest and investment revenue</b>	434	562	128	29% <b>F</b>
Increased revenue from invested funds received in the reporting period.				
<b>Other income</b>	130	143	13	10% <b>F</b>
<b>Expenses</b>				
<b>Employee benefits and on-costs</b>	6,716	7,303	(587)	(9)% <b>U</b>
<b>Materials and services</b>	8,625	9,728	(1,103)	(13)% <b>U</b>
Increase of costs compared to budget due to Transport for NSW additional work in the reporting period. Also a measure of flood damage expense that was not offset by receipt of income for the reporting period.				
<b>Borrowing costs</b>	97	95	2	2% <b>F</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	4,359	3,672	687	16% <b>F</b>
This decrease is due to a measure of movement within certain infrastructure asset classes, where capitalisation and other movement saw a decrease in overall depreciation expense for the reporting period.				
<b>Other expenses</b>	235	358	(123)	(52)% <b>U</b>
The original budget was lower in estimation for a combined level of expenses for RFS, SES and CMCC costs for the reporting period.				

## B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	24,170	8,466	(15,704)	(65)% <b>U</b>
The changes in operational cash flows are largely illustrated and defined in the overall changes indicated in Revenue and Expenses material budget variation disclosures.				
<b>Cash flows from investing activities</b>	(24,007)	(13,800)	10,207	(43)% <b>F</b>
The change in this area is due to a lower actual spend on plant replacement for the reporting period, when compared to what had been originally budgeted.				
<b>Cash flows from financing activities</b>	(163)	(163)	-	0% <b>F</b>

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	2024 \$ '000	2023 \$ '000
<b>Cash assets</b>		
Cash on hand and at bank	8,729	11,203
Cash equivalent assets		
– Deposits at call	232	223
– Short-term deposits	3,010	6,042
<b>Total cash and cash equivalents</b>	<b>11,971</b>	<b>17,468</b>
<b>Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents per Statement of Financial Position	11,971	17,468
<b>Balance as per the Statement of Cash Flows</b>	<b>11,971</b>	<b>17,468</b>

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

	2024 \$ '000	2023 \$ '000
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>11,971</b>	17,468
Less: Externally restricted cash, cash equivalents and investments	<u>(9,218)</u>	<u>(11,262)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b><u>2,753</u></b>	<b><u>6,206</u></b>
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Cwma roadside mapping	7	7
Specific purpose unexpended grants – general fund	<u>2,232</u>	<u>3,851</u>
<b>External restrictions – included in liabilities</b>	<b><u>2,239</u></b>	<b><u>3,858</u></b>
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Transport for NSW contributions	–	420
Other Contributions - Library	6	6
Specific purpose unexpended grants (recognised as revenue) – general fund	<u>4,627</u>	<u>3,992</u>
Water fund	613	817
Sewer fund	<u>1,639</u>	<u>2,013</u>
Domestic waste management	94	156
<b>External restrictions – other</b>	<b><u>6,979</u></b>	<b><u>7,404</u></b>
<b>Total external restrictions</b>	<b><u>9,218</u></b>	<b><u>11,262</u></b>

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

## C1-2 Restricted and allocated cash, cash equivalents and investments (continued)

	2024 \$ '000	2023 \$ '000
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## (b) Internal allocations

<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>2,753</b>	6,206
Less: Internally restricted cash, cash equivalents and investments	<u>(2,247)</u>	<u>(5,682)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>506</b>	524

**Internal allocations**

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

Infrastructure replacement	-	1,456
Employees leave entitlement	400	400
Prepaid financial assistance grant	<u>1,847</u>	<u>3,826</u>
<b>Total internal allocations</b>	<b>2,247</b>	5,682

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

	2024 \$ '000	2023 \$ '000
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## (c) Unrestricted and unallocated

<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>506</b>	524
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## C1-3 Receivables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Rates and annual charges	300	249	312	186
Interest and extra charges	39	33	27	18
User charges and fees	1,556	72	782	52
Accrued revenues				
– Interest on investments	63	–	24	–
– Other income accruals	72	–	4	–
Deferred debtors	–	–	4	–
Government grants and subsidies	6,007	–	4,797	–
Net GST receivable	2,473	–	479	–
<b>Total</b>	<b>10,510</b>	<b>354</b>	<b>6,429</b>	<b>256</b>
<b>Less: provision for impairment</b>				
User charges and fees	(19)	–	(19)	–
<b>Total provision for impairment – receivables</b>	<b>(19)</b>	<b>–</b>	<b>(19)</b>	<b>–</b>
<b>Total net receivables</b>	<b>10,491</b>	<b>354</b>	<b>6,410</b>	<b>256</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Specific purpose grants	38	–	87	–
– Rates and availability charges	51	52	47	39
– Other	110	73	145	54
<b>Sewerage services</b>				
– Rates and availability charges	58	58	80	45
– Other	25	14	57	7
<b>Domestic waste management</b>	<b>102</b>	<b>32</b>	<b>58</b>	<b>25</b>
<b>Total external restrictions</b>	<b>384</b>	<b>229</b>	<b>474</b>	<b>170</b>
<b>Unrestricted receivables</b>	<b>10,107</b>	<b>125</b>	<b>5,936</b>	<b>86</b>
<b>Total net receivables</b>	<b>10,491</b>	<b>354</b>	<b>6,410</b>	<b>256</b>

### Material accounting policy information

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

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:

## C1-3 Receivables (continued)

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- 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 receivables are over 5 years past due, whichever occurs first.

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.

## C1-4 Inventories

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>(i) Inventories at cost</b>				
Real estate for resale	145	-	145	-
Stores and materials	371	-	317	-
Trading stock	224	-	226	-
Loose tools	176	-	162	-
<b>Total inventories at cost</b>	<b>916</b>	<b>-</b>	<b>850</b>	<b>-</b>
<b>Total inventories</b>	<b>916</b>	<b>-</b>	<b>850</b>	<b>-</b>

### (ii) Other disclosures

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>(a) Details for real estate development</b>				
Industrial/commercial	92	-	92	-
Other properties	53	-	53	-
<b>Total real estate for resale</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>

(Valued at the lower of cost and net realisable value)

#### Represented by:

Acquisition costs	145	-	145	-
<b>Total costs</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>
<b>Total real estate for resale</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>
<b>Movements:</b>				
Real estate assets at beginning of the year	145	-	145	-
<b>Total real estate for resale</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>

### (b) Current inventories not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2024 \$ '000	2023 \$ '000
Real estate for resale	126	126
Trading Stock	192	192
	<b>318</b>	<b>318</b>

## C1-4 Inventories (continued)

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### Material accounting policy information

#### **Raw materials and stores, work in progress and finished goods**

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

#### **Land held for resale**

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	24,512	–	24,512	4,615	484	–	–	(15,549)	–	14,062	–	14,062
Plant and equipment	13,253	(7,904)	5,349	1,300	33	(27)	(1,152)	140	–	14,247	(8,604)	5,643
Office equipment	388	(318)	70	82	–	–	(41)	–	–	470	(359)	111
Furniture and fittings	290	(190)	100	6	–	–	(22)	–	–	296	(212)	84
<b>Land:</b>												
– Operational land	2,288	–	2,288	–	–	–	–	–	–	2,288	–	2,288
– Community land	187	–	187	–	–	–	–	–	–	187	–	187
– Crown land	1,287	–	1,287	–	–	–	–	–	–	1,287	–	1,287
<b>Infrastructure:</b>												
– Buildings – non-specialised	13,065	(4,000)	9,065	295	–	–	(202)	15	429	14,000	(4,398)	9,602
– Buildings – specialised	16,966	(5,733)	11,233	24	173	–	(217)	290	567	18,311	(6,241)	12,070
– Other structures	15,430	(8,034)	7,396	–	360	–	(124)	1,073	442	17,752	(8,605)	9,147
– Roads	194,887	(62,087)	132,800	5,272	22	(657)	(1,298)	5,185	7,687	214,985	(65,974)	149,011
– Bridges	24,082	(7,470)	16,612	–	–	–	(166)	–	674	25,069	(7,949)	17,120
– Footpaths	4,497	(1,841)	2,656	110	–	(8)	(21)	–	89	4,750	(1,924)	2,826
– Stormwater drainage	5,233	(2,337)	2,896	–	–	–	(29)	–	88	5,393	(2,438)	2,955
– Water supply network	20,561	(11,312)	9,249	395	–	–	(267)	779	515	22,837	(12,166)	10,671
– Sewerage network	17,538	(11,512)	6,026	499	–	(63)	(131)	6,824	667	25,967	(12,145)	13,822
– Swimming pools	1,933	(192)	1,741	22	–	–	(48)	130	101	2,199	(253)	1,946
– Other open space/recreational assets	5,012	(2,118)	2,894	549	–	–	(131)	1,113	236	7,030	(2,369)	4,661
<b>Total infrastructure, property, plant and equipment</b>	<b>361,409</b>	<b>(125,048)</b>	<b>236,361</b>	<b>13,169</b>	<b>1,072</b>	<b>(755)</b>	<b>(3,849)</b>	<b>–</b>	<b>11,495</b>	<b>391,130</b>	<b>(133,637)</b>	<b>257,493</b>

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

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period					At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	19,126	–	19,126	3,927	1,459	–	–	–	24,512	–	24,512
Plant and equipment	11,024	(7,292)	3,732	1,577	1,209	(94)	(1,075)	–	13,253	(7,904)	5,349
Office equipment	373	(285)	88	16	–	–	(34)	–	388	(318)	70
Furniture and fittings	290	(167)	123	–	–	–	(23)	–	290	(190)	100
<b>Land:</b>											
– Operational land	1,859	–	1,859	–	–	(1)	–	430	2,288	–	2,288
– Community land	180	–	180	–	–	–	–	7	187	–	187
– Crown land	1,175	–	1,175	–	–	–	–	112	1,287	–	1,287
<b>Infrastructure:</b>											
– Buildings – non-specialised	10,996	(3,500)	7,496	–	–	–	(175)	1,744	13,065	(4,000)	9,065
– Buildings – specialised	14,513	(5,176)	9,337	22	–	–	(188)	2,062	16,966	(5,733)	11,233
– Other structures	14,612	(7,438)	7,174	–	–	–	(169)	391	15,430	(8,034)	7,396
– Roads	181,924	(57,347)	124,577	1,312	17	(216)	(1,711)	8,821	194,887	(62,087)	132,800
– Bridges	22,789	(6,835)	15,954	–	–	–	(253)	911	24,082	(7,470)	16,612
– Footpaths	4,283	(1,712)	2,571	–	–	–	(42)	127	4,497	(1,841)	2,656
– Stormwater drainage	4,768	(2,106)	2,662	–	–	–	(27)	261	5,233	(2,337)	2,896
– Water supply network	19,090	(10,218)	8,872	–	–	–	(284)	661	20,561	(11,312)	9,249
– Sewerage network	16,282	(10,504)	5,778	–	–	–	(183)	431	17,538	(11,512)	6,026
– Swimming pools	1,811	(141)	1,670	–	12	–	(40)	99	1,933	(192)	1,741
– Other open space/recreational assets	4,727	(1,888)	2,839	–	–	–	(109)	164	5,012	(2,118)	2,894
<b>Total infrastructure, property, plant and equipment</b>	<b>329,822</b>	<b>(114,609)</b>	<b>215,213</b>	<b>6,854</b>	<b>2,697</b>	<b>(311)</b>	<b>(4,313)</b>	<b>16,221</b>	<b>361,409</b>	<b>(125,048)</b>	<b>236,361</b>

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

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

### Material accounting policy information

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by NSW Department of Climate Change, Energy, the Environment and Water (DCCEE).

Increases in the carrying amounts arising on revaluation are credited to the 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.

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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:

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	3 to 5		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 100
		<b>Stormwater assets</b>	
<b>Water and sewer assets</b>		Drains	80 to 100
Reservoirs	100	Culverts	50 to 80
Bores	50		
Reticulation pipes: PVC	80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		<b>Other infrastructure assets</b>	
<b>Transportation assets</b>		Swimming pools	50
Sealed roads: surface	25	Other open space/recreation assets	20 to 50
Sealed roads: pavement	60		
Unsealed roads: pavement	30		
Road: formation	100	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Kerb, gutter and footpaths	80		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

### Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

### 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.

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

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".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

## Externally restricted infrastructure, property, plant and equipment

	as at 30/06/24			as at 30/06/23		
	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000
<b>Water supply</b>						
WIP	1,088	–	1,088	1,673	–	1,673
Plant and equipment	358	246	112	265	225	40
Land						
– Operational land	178	–	178	178	–	178
– Community land	11	–	11	11	–	11
Other structures	103	49	54	98	45	53
Infrastructure	22,837	12,166	10,671	20,561	11,312	9,249
<b>Total water supply</b>	<b>24,575</b>	<b>12,461</b>	<b>12,114</b>	<b>22,786</b>	<b>11,582</b>	<b>11,204</b>
<b>Sewerage services</b>						
WIP	27	–	27	6,824	–	6,824
Plant and equipment	281	258	23	347	304	43
Land						
– Operational land	199	–	199	199	–	199
– Community land	78	–	78	78	–	78
Other structures	22	9	13	21	7	14
Infrastructure	25,967	12,145	13,822	17,538	11,512	6,026
<b>Total sewerage services</b>	<b>26,574</b>	<b>12,412</b>	<b>14,162</b>	<b>25,007</b>	<b>11,823</b>	<b>13,184</b>
<b>Domestic waste management</b>						
Land						
– Operational land	174	–	174	174	–	174
<b>Total domestic waste management</b>	<b>174</b>	<b>–</b>	<b>174</b>	<b>174</b>	<b>–</b>	<b>174</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>51,323</b>	<b>24,873</b>	<b>26,450</b>	<b>47,967</b>	<b>23,405</b>	<b>24,562</b>



## C2 Leasing activities

### C2-1 Council as a lessor

#### Operating leases

Council leases out a number of properties to employees, business and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

– property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-6).

	2024 \$ '000	2023 \$ '000
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The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below

#### Operating lease expenses

##### (i) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for the purpose of staff housing, medical and aged care services to the Warren Shire Community, the table below relates to operating leases on assets disclosed in C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	129	105
<b>Total income relating to operating leases for Council assets</b>	<b>129</b>	<b>105</b>

#### Material accounting policy information

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

## C3 Liabilities of Council

### C3-1 Payables

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Goods and services – operating expenditure	621	–	906	–
Goods and services – capital expenditure	385	–	346	–
Accrued expenses:				
– Salaries and wages	185	–	160	–
– Other expenditure accruals	105	–	55	–
Sundry deposits	45	–	43	–
Other	30	–	27	–
Government departments and agencies	100	–	17	–
Prepaid rates	170	–	217	–
<b>Total payables</b>	<b>1,641</b>	<b>–</b>	<b>1,771</b>	<b>–</b>

#### Payables relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Externally restricted assets</b>				
Water	26	–	24	–
Payables relating to externally restricted assets	26	–	24	–
<b>Total payables relating to restricted assets</b>	<b>26</b>	<b>–</b>	<b>24</b>	<b>–</b>
<b>Total payables relating to unrestricted assets</b>	<b>1,615</b>	<b>–</b>	<b>1,747</b>	<b>–</b>
<b>Total payables</b>	<b>1,641</b>	<b>–</b>	<b>1,771</b>	<b>–</b>

#### Material accounting policy information

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.

#### Payables

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

## C3-2 Contract Liabilities

	Notes	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,232	–	3,851	–
<b>Total grants received in advance</b>		<b>2,232</b>	<b>–</b>	<b>3,851</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other	(ii)	–	–	30	–
<b>Total user fees and charges received in advance</b>		<b>–</b>	<b>–</b>	<b>30</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>2,232</b>	<b>–</b>	<b>3,881</b>	<b>–</b>

### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library 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) Upfront membership fees for the gym do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

### Contract liabilities relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Externally restricted assets</b>				
Unspent grants held as contract liabilities (excl. Water & Sewer)	2,232	–	3,851	–
<b>Contract liabilities relating to externally restricted assets</b>	<b>2,232</b>	<b>–</b>	<b>3,851</b>	<b>–</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>2,232</b>	<b>–</b>	<b>3,851</b>	<b>–</b>
<b>Total contract liabilities relating to unrestricted assets</b>	<b>–</b>	<b>–</b>	<b>30</b>	<b>–</b>
<b>Total contract liabilities</b>	<b>2,232</b>	<b>–</b>	<b>3,881</b>	<b>–</b>

### Revenue recognised that was included in the contract liability balance at the beginning of the period

	2024 \$ '000	2023 \$ '000
<b>Grants and contributions received in advance:</b>		
Operating grants (received prior to performance obligation being satisfied)	243	1,328
<b>User fees and charges received in advance:</b>		
Other	–	30
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>243</b>	<b>1,358</b>

## C3-2 Contract Liabilities (continued)

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### **Significant changes in contract liabilities**

Council received 3 grants totalling \$4,156K in the last 4 months of the financial year for capital works projects that were not able to be undertaken due to the lack of resources available at the time.

### **Material accounting policy information**

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

## C3-3 Borrowings

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Loans – secured <sup>1</sup>	167	3,356	163	3,523
<b>Total borrowings</b>	<b>167</b>	<b>3,356</b>	<b>163</b>	<b>3,523</b>

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

### Borrowings relating to restricted assets

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
<b>Externally restricted assets</b>				
Water	31	629	31	661
Sewer	105	2,098	102	2,202
Borrowings relating to externally restricted assets	136	2,727	133	2,863
<b>Total borrowings relating to restricted assets</b>	<b>136</b>	<b>2,727</b>	<b>133</b>	<b>2,863</b>
<b>Total borrowings relating to unrestricted assets</b>	<b>31</b>	<b>629</b>	<b>30</b>	<b>660</b>
<b>Total borrowings</b>	<b>167</b>	<b>3,356</b>	<b>163</b>	<b>3,523</b>

### (a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,686	(163)	–	–	–	–	3,523
<b>Total liabilities from financing activities</b>	<b>3,686</b>	<b>(163)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,523</b>

	2022		Non-cash movements				2023
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	3,845	(159)	–	–	–	–	3,686
<b>Total liabilities from financing activities</b>	<b>3,845</b>	<b>(159)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,686</b>

### C3-3 Borrowings (continued)

#### (b) Financing arrangements

	2024 \$ '000	2023 \$ '000
<b>Total facilities</b>		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities <sup>1</sup>	500	500
Credit cards/purchase cards	25	25
<b>Total financing arrangements</b>	<b>525</b>	<b>525</b>
<b>Drawn facilities</b>		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	15	6
<b>Total drawn financing arrangements</b>	<b>15</b>	<b>6</b>

Undrawn financing facilities available to Council at the reporting date are:

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

#### Material accounting policy information

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

### C3-4 Employee benefit provisions

	2024 Current \$ '000	2024 Non-current \$ '000	2023 Current \$ '000	2023 Non-current \$ '000
Annual leave	557	–	453	–
Long service leave	984	86	938	63
<b>Total employee benefit provisions</b>	<b>1,541</b>	<b>86</b>	<b>1,391</b>	<b>63</b>

#### Employee benefit provisions relating to restricted assets

##### Externally restricted assets

Water	–	–	4	1
Sewer	41	–	34	–
Employee benefit provisions relating to externally restricted assets	41	–	38	1
<b>Total employee benefit provisions relating to restricted assets</b>	<b>41</b>	<b>–</b>	<b>38</b>	<b>1</b>
<b>Total employee benefit provisions relating to unrestricted assets</b>	<b>1,500</b>	<b>86</b>	<b>1,353</b>	<b>62</b>
<b>Total employee benefit provisions</b>	<b>1,541</b>	<b>86</b>	<b>1,391</b>	<b>63</b>

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

	2024 \$ '000	2023 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	848	763
	<b>848</b>	<b>763</b>

#### Description of and movements in provisions

	ELE provisions		
	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
<b>2024</b>			
At beginning of year	453	1,001	1,454
Additional provisions	453	150	603
Amounts used (payments)	(350)	(93)	(443)
Remeasurement effects	1	12	13
Total ELE provisions at end of year	<b>557</b>	<b>1,070</b>	<b>1,627</b>
<b>2023</b>			
At beginning of year	493	1,004	1,497
Additional provisions	402	158	560
Amounts used (payments)	(443)	(165)	(608)
Remeasurement effects	1	4	5
Total ELE provisions at end of year	<b>453</b>	<b>1,001</b>	<b>1,454</b>

#### Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual

## C3-4 Employee benefit provisions (continued)

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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.



## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

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

## D 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

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>Income from continuing operations</b>			
Rates and annual charges	5,622	610	599
User charges and fees	4,279	338	48
Interest and investment revenue	421	41	100
Other revenues	464	–	–
Grants and contributions provided for operating purposes	15,436	11	9
Grants and contributions provided for capital purposes	3,375	363	–
Other income	143	–	–
<b>Total income from continuing operations</b>	<b>29,740</b>	<b>1,363</b>	<b>756</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	6,910	222	171
Materials and services	8,759	656	313
Borrowing costs	18	18	59
Depreciation, amortisation and impairment of non-financial assets	3,232	288	152
Other expenses	347	4	7
Net losses from the disposal of assets	478	–	56
<b>Total expenses from continuing operations</b>	<b>19,744</b>	<b>1,188</b>	<b>758</b>
<b>Operating result from continuing operations</b>	<b>9,996</b>	<b>175</b>	<b>(2)</b>
<b>Net operating result for the year</b>	<b>9,996</b>	<b>175</b>	<b>(2)</b>
<b>Net operating result attributable to each council fund</b>	<b>9,996</b>	<b>175</b>	<b>(2)</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>6,621</b>	<b>(188)</b>	<b>(2)</b>

## D1-2 Statement of Financial Position by fund

	<b>General 2024 \$ '000</b>	<b>Water 2024 \$ '000</b>	<b>Sewer 2024 \$ '000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9,719	613	1,639
Receivables	10,209	199	83
Inventories	916	–	–
Other	39	–	–
<b>Total current assets</b>	<b>20,883</b>	<b>812</b>	<b>1,722</b>
<b>Non-current assets</b>			
Receivables	157	125	72
Infrastructure, property, plant and equipment	231,217	12,114	14,162
Investments accounted for using the equity method	102	–	–
<b>Total non-current assets</b>	<b>231,476</b>	<b>12,239</b>	<b>14,234</b>
<b>Total assets</b>	<b>252,359</b>	<b>13,051</b>	<b>15,956</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1,615	26	–
Contract liabilities	2,232	–	–
Borrowings	31	31	105
Employee benefit provision	1,500	–	41
<b>Total current liabilities</b>	<b>5,378</b>	<b>57</b>	<b>146</b>
<b>Non-current liabilities</b>			
Borrowings	629	629	2,098
Employee benefit provision	86	–	–
<b>Total non-current liabilities</b>	<b>715</b>	<b>629</b>	<b>2,098</b>
<b>Total liabilities</b>	<b>6,093</b>	<b>686</b>	<b>2,244</b>
<b>Net assets</b>	<b>246,266</b>	<b>12,365</b>	<b>13,712</b>
<b>EQUITY</b>			
Accumulated surplus	127,749	6,655	7,457
Revaluation reserves	118,517	5,710	6,255
<b>Council equity interest</b>	<b>246,266</b>	<b>12,365</b>	<b>13,712</b>
<b>Total equity</b>	<b>246,266</b>	<b>12,365</b>	<b>13,712</b>

## D2 Interests in other entities

### D2-1 Subsidiaries

Council has no interest in any controlled entities (subsidiaries).

	Council's share of net assets	
	2024 \$ '000	2023 \$ '000
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint ventures	102	88
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>102</b>	<b>88</b>
Total Council's share of net assets	102	88

### D2-2 Interests in joint arrangements

#### Net carrying amounts – Council's share

	Place of business	Nature of relationship	Interest in ownership		2024 \$ '000	2023 \$ '000
			2024	2023		
North Western Library Co-operative	Warren	Joint Venture	25.0%	25.0%	102	88
<b>Total carrying amounts</b>					<b>102</b>	<b>88</b>

#### North Western Library Co-operative

Joint purchasing of books and e-resources

#### Material joint ventures

Council has incorporated the following joint venture into it's consolidated financial statements.

#### Details

	Principal activity	Measurement method
North Western Library Co-operative	Joint purchasing of books and e-resources	At cost

#### Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2024	2023	2024	2023
North Western Library Co-operative	25.0%	25.0%	25.0%	25.0%

## D2-2 Interests in joint arrangements (continued)

### Summarised financial information for joint ventures

	North Western Library Co-operative	
	2024	2023
	\$ '000	\$ '000
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	152	100
<b>Non-current assets</b>		
	258	254
<b>Net assets</b>	<b>410</b>	<b>354</b>
<b>Statement of comprehensive income</b>		
Income	267	259
Depreciation and amortisation	(84)	(81)
Other expenses	(126)	(124)
<b>Profit/(loss) from continuing operations</b>	<b>57</b>	<b>54</b>
<b>Profit/(loss) for the period</b>	<b>57</b>	<b>54</b>
<b>Total comprehensive income</b>	<b>57</b>	<b>54</b>
<b>Share of income – Council (%)</b>	<b>25.0%</b>	25.0%
<b>Profit/(loss) – Council (\$)</b>	<b>14</b>	13
<b>Total comprehensive income – Council (\$)</b>	<b>14</b>	13
<b>Summarised Statement of cash flows</b>		
Cash flows from operating activities	112	135
Cash flows from investing activities	(98)	(79)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14</b>	<b>56</b>
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	353	299
Profit/(loss) for the period	57	54
<b>Closing net assets</b>	<b>410</b>	<b>353</b>
<b>Council's share of net assets (%)</b>	<b>25.0%</b>	25.0%
<b>Council's share of net assets (\$)</b>	<b>102</b>	88

### County Councils

Council is a member of the Castlereagh Macquarie County Council, a body corporate established under the Local Government Act 1993 (NSW) to control noxious weeds. Council is one of five constituent council members and does not control the County Council. Accordingly, the County Council has not been consolidated in the financial statements.

## D2-3 Subsidiaries, joint arrangements and associates not recognised

### Orana Joint Organisation

Warren Shire Council is a member of the Orana Joint Organisation along with Bogan, Gilgandra, Narromine, Mid-Western and Warrumbungle Shire Councils.

The principal functions of the Orana Joint Organisation is to:

- establish strategic regional priorities for the Joint Organisation area and develop strategies and plans for delivering these priorities.
- provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.
- identify and take up opportunities for intergovernmental cooperation on matters relating to the Joint Organisation area.

Other services, functions or types of functions the Orana Joint Organisation will undertake are:

- to provide support for the operations of its Member Councils aimed at strengthening local government in its Joint Organisation area.

All members of the Orana Joint Organisation resolved to resign from the organisation and request the Minister for Local Government to dissolve the Orana JO, to date no formal response to that request has been received.

## 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.

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

	<b>Carrying value</b> <b>2024</b> <b>\$ '000</b>	Carrying value 2023 \$ '000	<b>Fair value</b> <b>2024</b> <b>\$ '000</b>	Fair value 2023 \$ '000
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	<b>11,971</b>	17,468	<b>11,971</b>	17,468
Receivables	<b>10,845</b>	6,666	<b>10,845</b>	6,666
<b>Total financial assets</b>	<b>22,816</b>	<b>24,134</b>	<b>22,816</b>	<b>24,134</b>
<b>Financial liabilities</b>				
Payables	<b>1,641</b>	1,771	<b>1,641</b>	1,771
Loans/advances	<b>3,523</b>	3,686	<b>3,523</b>	3,686
<b>Total financial liabilities</b>	<b>5,164</b>	<b>5,457</b>	<b>5,164</b>	<b>5,457</b>

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

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.

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

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

	<b>2024</b>	2023
	<b>\$ '000</b>	\$ '000

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement **120** 175

### (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.

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.

	<b>Not yet overdue \$ '000</b>	<b>overdue rates and annual charges</b>		<b>Total \$ '000</b>
		<b>&lt; 5 years \$ '000</b>	<b>≥ 5 years \$ '000</b>	
<b>2024</b>				
Gross carrying amount	–	514	35	549
<b>2023</b>				
Gross carrying amount	–	473	25	498



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

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

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

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

	Not yet overdue \$ '000	0 - 30 days \$ '000	Overdue debts			Total \$ '000
			31 - 60 days \$ '000	61 - 90 days \$ '000	> 91 days \$ '000	
<b>2024</b>						
Gross carrying amount	1,712	143	89	148	8,223	10,315
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.23%	0.18%
<b>ECL provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>19</b>
<b>2023</b>						
Gross carrying amount	273	3,249	662	258	1,745	6,187
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	1.09%	0.31%
<b>ECL provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>19</b>

### (c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Total cash outflows \$ '000	Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000		
<b>2024</b>							
Payables	0.00%	-	1,641	-	-	1,641	1,641
Borrowings	2.60%	-	167	904	2,452	3,523	3,523
<b>Total financial liabilities</b>		<b>-</b>	<b>1,808</b>	<b>904</b>	<b>2,452</b>	<b>5,164</b>	<b>5,164</b>
<b>2023</b>							
Payables	0.00%	-	1,771	-	-	1,771	1,771
Borrowings	2.60%	-	159	862	2,665	3,686	3,686
<b>Total financial liabilities</b>		<b>-</b>	<b>1,930</b>	<b>862</b>	<b>2,665</b>	<b>5,457</b>	<b>5,457</b>

## 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

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

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

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

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

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

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>									
<b>Infrastructure, property, plant and equipment</b>									
	C1-5								
Plant & Equipment				–	–	5,643	5,349	5,643	5,349
Office Equipment				–	–	111	70	111	70
Furniture & Fittings				–	–	84	100	84	100
Operational Land		30/06/2023	30/06/2023	–	–	2,288	2,288	2,288	2,288
Community/Crown Land		30/06/2023	30/06/2023	–	–	1,474	1,474	1,474	1,474
Buildings – Non-Specialised		30/06/2023	30/06/2023	–	–	9,602	9,065	9,602	9,065
Buildings– Specialised		30/06/2023	30/06/2023	–	–	12,070	11,233	12,070	11,233
Other Structures		30/06/2022	30/06/2022	–	–	9,147	7,396	9,147	7,396
Roads		30/06/2020	30/06/2020	–	–	149,011	132,800	149,011	132,800
Bridges		30/06/2020	30/06/2020	–	–	17,120	16,612	17,120	16,612
Footpaths		30/06/2020	30/06/2020	–	–	2,826	2,656	2,826	2,656
Stormwater Drainage		30/06/2020	30/06/2020	–	–	2,955	2,896	2,955	2,896
Water Supply Network		30/06/2022	30/06/2022	–	–	10,671	9,249	10,671	9,249
Sewerage Network		30/06/2022	30/06/2022	–	–	13,822	6,026	13,822	6,026
Swimming Pools		30/06/2022	30/06/2022	–	–	1,946	1,741	1,946	1,741
Other Open Space/Recreational Assets		30/06/2022	30/06/2022	–	–	4,661	2,894	4,661	2,894
<b>Total infrastructure, property, plant and equipment</b>				<b>–</b>	<b>–</b>	<b>243,431</b>	<b>211,849</b>	<b>243,431</b>	<b>211,849</b>

### Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for 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:

## E2-1 Fair value measurement (continued)

### Infrastructure, property, plant and equipment (IPPE)

#### Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, photocopiers, calculators etc.
- Furniture & Fittings - Chairs, desks and display boards.

There has been no change to the valuation process during the reporting period.

#### Operational & Community Land

Operational & Community Land are based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. Operational Land is based on the Valuer General's land value as these are representative of the land values in the Warren Shire LGA. As these rates were not considered to be observable market evidence they have been classified a Level 3.

There has been no change to the valuation process during the reporting period.

#### Buildings - Non-Specialised & Specialised

Non-Specialised & Specialised Buildings were valued externally by qualified valuers Aspect Property Consultants in 2022/23 using the Rawlinson's Construction Guide in June 2022 using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts. While all buildings were physically inspected and the unit rates based on square metres from Rawlinson's Construction Guide no market based evidence (Level 2) could not be established. As such these assets were classified as having been valued as Level 3 valuation inputs.

While the costs were current and the impact of depreciation negligible, the building has been classified as Level 3 as they are immaterial in relation to the overall value of the asset type.

Building assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$996K.

#### Other Structures

Other Structures comprise of Aerodrome runway, lighting, irrigation systems and fencing etc. The cost approach has been utilised whereby replacement cost was estimated for each asset by taking into account a range of factors. No market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using Level 3 valuation inputs.

Other Structure assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$442K.

#### Roads

Roads comprise road carriageway, roadside shoulders & kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house in June 2020 based on actual costs and assumptions from Council's Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Road assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$7,687K.

#### Bridges

Bridges were valued in-house in June 2020 the unit rates were calculated using the contract value for the replacement of the Wonbobbie Bridge as adopted by Council at the March 2020 Council Meeting, the commencement date for construction is in August 2020. While all bridges were physically inspected and unit rates based on square metres were used there was no reliable market evidence (Level 2) as other inputs (such as estimates of residual value and pattern of consumption) require extensive professional judgement that impacts significantly on the final determination of fair value.

## E2-1 Fair value measurement (continued)

Bridge assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$674K.

### Footpaths

Footpaths were valued in-house by Council's Engineering Department in June 2020 and were based on actual cost per square metre of works carried out during the year. Footpaths are inspected annually and condition assessed

Footpath assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$89K.

### Drainage Infrastructure

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

Drainage assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$88K.

### Water Supply Network

Assets within this class comprise reservoirs, pumping stations and, water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets were externally revalued in 2021/22 by APV Valuers.

Water assets were re-assessed in 2023/24 using percentages as advised by DCCEEW - NSW Reference Rates Manual, the 2024 construction cost index was 5.07%, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$515K.

### Sewerage Network

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets were externally revalued in 2021/22 by APV Valuers.

Sewerage assets were re-assessed in 2023/24 using percentages as advised by DCCEEW - NSW Reference Rates Manual, the 2024 construction cost index was 5.07%, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$667K.

### Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. The swimming pool was valued in-house by experienced staff in Council's Health & Development Department using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

## E2-1 Fair value measurement (continued)

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Swimming Pool assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$101K.

### **Other Open Space/Recreational Assets**

Assets within this class comprise synthetic & turf surfaces, lighting, playground equipment etc. All assets in Other Structures were valued in-house by experienced engineering staff.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Open Space/Recreational assets were re-assessed in 2023/24 using percentages as determined by valuers APV, a desktop assessment was carried out from 30th June 2023 until 30 June 2024, this resulted in a revaluation increment of \$236K.

## E2-1 Fair value measurement (continued)

## Fair value measurements using significant unobservable inputs (level 3)

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

	Plant & equipment		Office equipment		Furniture and fittings		Operational Land	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>5,349</b>	3,732	<b>70</b>	88	<b>100</b>	123	<b>2,288</b>	1,859
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	1,333	2,786	82	16	6	–	–	–
Disposals (WDV)	(27)	(94)	–	–	–	–	–	(1)
Depreciation and impairment	(1,152)	(1,075)	(41)	(34)	(22)	(23)	–	–
Transfers from Works in Progress	140	–	–	–	–	–	–	–
Revaluation Increment / (Decrement) to Equity	–	–	–	–	–	–	–	430
<b>Closing balance</b>	<b>5,643</b>	5,349	<b>111</b>	70	<b>84</b>	100	<b>2,288</b>	2,288

	Community / Crown Land		Buildings non-specialised		Building specialised		Other structures	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>1,474</b>	1,355	<b>9,065</b>	7,496	<b>11,233</b>	9,337	<b>7,396</b>	7,174
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	–	–	295	–	197	22	360	–
Depreciation and impairment	–	–	(202)	(175)	(217)	(188)	(124)	(169)
Transfers from Works in Progress	–	–	15	–	290	–	1,073	–
Revaluation Increment / (Decrement) to Equity	–	119	429	1,744	567	2,062	442	391
<b>Closing balance</b>	<b>1,474</b>	1,474	<b>9,602</b>	9,065	<b>12,070</b>	11,233	<b>9,147</b>	7,396

	Roads		Bridges		Footpaths		Stormwater drainage	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>132,800</b>	124,577	<b>16,612</b>	15,954	<b>2,656</b>	2,571	<b>2,896</b>	2,662
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	5,294	1,329	–	–	110	–	–	–
Disposals (WDV)	(657)	(216)	–	–	(8)	–	–	–
Depreciation and impairment	(1,298)	(1,711)	(166)	(253)	(21)	(42)	(29)	(27)
Transfers from Works in Progress	5,185	–	–	–	–	–	–	–
Revaluation Increment / (Decrement) to Equity	7,687	8,821	674	911	89	127	88	261
<b>Closing balance</b>	<b>149,011</b>	132,800	<b>17,120</b>	16,612	<b>2,826</b>	2,656	<b>2,955</b>	2,896

	Water supply network		Sewerage network		Swimming pools		Open space / recreational	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>9,249</b>	8,872	<b>6,026</b>	5,778	<b>1,741</b>	1,670	<b>2,894</b>	2,839
<b>Total gains or losses for the period</b>								

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## E2-1 Fair value measurement (continued)

	Water supply network		Sewerage network		Swimming pools		Open space / recreational	
	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000	2024 \$ '000	2023 \$ '000
<b>Other movements</b>								
Purchases (GBV)	395	–	499	–	22	12	549	–
Disposals (WDV)	–	–	(63)	–	–	–	–	–
Depreciation and impairment	(267)	(284)	(131)	(183)	(48)	(40)	(131)	(109)
Transfers from Works in Progress	779	–	6,824	–	130	–	1,113	–
Revaluation Increment / (Decrement) to Equity	515	661	667	431	101	99	236	164
<b>Closing balance</b>	<b>10,671</b>	<b>9,249</b>	<b>13,822</b>	<b>6,026</b>	<b>1,946</b>	<b>1,741</b>	<b>4,661</b>	<b>2,894</b>

	Total	
	2024 \$ '000	2023 \$ '000
<b>Opening balance</b>	<b>211,849</b>	<b>196,087</b>
Purchases (GBV)	9,142	4,165
Disposals (WDV)	(755)	(311)
Depreciation and impairment	(3,849)	(4,313)
Transfers from Works in Progress	15,549	–
Revaluation Increment / (Decrement) to Equity	11,495	16,221
<b>Closing balance</b>	<b>243,431</b>	<b>211,849</b>

**Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:**

There were no transfers in or out of Level 3 hierarchy

**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 is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme (Active Super), named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors 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 (to the extent that they are not borne by members).

##### *Description of the funding arrangements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% 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 the total past service contributions of \$20 million per annum for 1st January 2022 to 31st December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to 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.

##### *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) 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 Council.

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.



## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2024 was \$39,194.96. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

The amount of additional contributions included in the total employer contribution advised above is \$12,236.65. Council's expected contribution to the plan for the next annual reporting period is \$17,027.05.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2024 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

\* excluding member accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 0.12%

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

Investment return	6% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 23/24 2.5% per annum thereafter

\* Plus promotional increases

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, which will be a triennial actuarial investigation will be completed by December 2024.

### (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 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

### (iii) StateCover Limited

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

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

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

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

## E3-1 Contingencies (continued)

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### (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) Garbage Depot Reinstatement

Garbage is disposed of in pits at the Ewenmar Depot. When a new pit is required the old pit is reinstated at the same time as the digging of the new pit. As a result reinstatement costs are expensed each year. Should current practices change, it will be necessary to consider the need to establish a Garbage Depot Remediation provision.

### (iii) Mount Foster Quarry Remediation

Mt Foster is an above ground crushing operation of material that Council utilises from the hill for the supply of road making materials, there will be no remediation costs involved with this operation.

### (iv) Gravel Pits Reinstatement

Council's practice with regard to the remediation of road reserve and private property gravel pits is to construct water storage for future road maintenance or a farm dam in return for the use of material where feasible. If this is not feasible for whatever reason then the pit is scarified and seeded upon completion of works undertaken and expensed accordingly, therefore future remediation costs are zero.

## 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.

### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

## 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:

	2024 \$ '000	2023 \$ '000
<b>Compensation:</b>		
Short-term benefits	885	859
Post-employment benefits	75	70
Other long-term benefits	17	21
Termination benefits	-	72
<b>Total</b>	<b>977</b>	<b>1,022</b>

#### Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
<b>2024</b>						
Supply of general household goods	1	2	-		-	-
Building construction, maintenance & repair	2	367	-		-	-
Catering	3	10	-		-	-
Rent of Council Building	4	24	-		-	-
<b>2023</b>						
Supply of general household goods	1	10	-		-	-
Building construction, maintenance & repair	2	31	-		-	-
Catering	3	3	-		-	-
Rent of Council Building	4	12	-		-	-

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## F1-1 Key management personnel (KMP) (continued)

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- 1 Council purchases general household goods such as cleaning material, drinks, batteries etc. from the local supermarket of which a KMP is the owner, all goods purchased are at normal retail prices that the general public are offered.
- 2 The partner of a KMP owns a building company, Council tendered for the construction of a building that was won by the KMP's partner company.
- 3 A KMP with family owns a takeaway cafe and catering business that Council utilises on occasions for meetings and other events..
- 4 A KMP rents one of Council's commercial premises at market value as assessed by an independent valuer every two years as per Council's Policy.

## F1-2 Councillor and Mayoral fees and associated expenses

	2024 \$ '000	2023 \$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	28	28
Councillors' fees	116	121
Other Councillors' expenses (including Mayor)	50	25
<b>Total</b>	<b>194</b>	<b>174</b>

### F1-3 Other related parties

	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
<b>2024</b>						
Joint Venture	1	66	–		–	–
2023						
Joint Venture	1	63	–		–	–

1 Council is a member of a Joint Venture being the North Western Library Co-operative with three other councils, each council contributes an equal amount to the joint venture each year for the operation of the service which is to purchase books and e-resources for the benefit of the residents and ratepayers in the four local government areas.

## F2 Other relationships

### F2-1 Audit fees

	2024 \$ '000	2023 \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	88	59
<b>Remuneration for audit and other assurance services</b>	<b>88</b>	<b>59</b>
<b>Total Auditor-General remuneration</b>	<b>88</b>	<b>59</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Internal Audit	32	23
<b>Remuneration for audit and other assurance services</b>	<b>32</b>	<b>23</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>32</b>	<b>23</b>
<b>Total audit fees</b>	<b>120</b>	<b>82</b>

## G Other matters

### G1-1 Statement of Cash Flows information

#### (a) Reconciliation of Operating Result

	2024 \$ '000	2023 \$ '000
<b>Net operating result from Income Statement</b>	<b>10,169</b>	11,954
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	3,672	4,239
(Gain) / loss on disposal of assets	534	(40)
Non-cash capital grants and contributions	–	(1,209)
Share of net (profits)/losses of associates/joint ventures using the equity method	(14)	(13)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	(4,183)	(3,120)
(Increase) / decrease of inventories	(66)	(95)
(Increase) / decrease of other current assets	(1)	(25)
Increase / (decrease) in payables	(285)	619
Increase / (decrease) in other accrued expenses payable	75	(38)
Increase / (decrease) in other liabilities	41	55
Increase / (decrease) in contract liabilities	(1,649)	453
Increase / (decrease) in employee benefit provision	173	(43)
<b>Net cash flows from operating activities</b>	<b>8,466</b>	<b>12,737</b>

#### (b) Non-cash investing and financing activities

Bushfire grants	–	1,209
<b>Total non-cash investing and financing activities</b>	<b>–</b>	<b>1,209</b>



## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2024 \$ '000	2023 \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Sewerage and water infrastructure	–	271
Buildings	947	441
Plant and equipment	89	40
Other	182	474
Road infrastructure	278	732
Bridge Infrastructure	3,150	–
Equestrian Arena - Showground	–	5
Carter Oval Redevelopment	342	9
Levee Rehabilitation & Pumps	1,096	–
<b>Total commitments</b>	<b>6,084</b>	<b>1,972</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	6,084	1,972
<b>Total payable</b>	<b>6,084</b>	<b>1,972</b>
<b>Sources for funding of capital commitments:</b>		
Future grants and contributions	–	742
Unexpended grants	5,813	1,170
Internally restricted reserves	271	60
<b>Total sources of funding</b>	<b>6,084</b>	<b>1,972</b>
<b>Details of capital commitments</b>		
Installation of Chlorination at the Ellengerah Road water reservoirs		
Purchase of Plant - water tanker		
Construction of toilet facilities - Warren Showground/Racecourse		
Carting of road material to Old Warren Road for resheeting		
Construction of a Bird Viewing Platform at Monkeygar Creek		

## G3-1 Events occurring after the reporting date

There are no other known events after the reporting period which would give rise to a material impact on the reported results of financial position.

## G4 Statement of performance measures

### G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2024	Indicator 2024	Indicators 2023      2022		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>6,951</b>	<b>24.73%</b>	32.93%	27.11%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>28,107</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>12,651</b>	<b>39.73%</b>	34.01%	34.27%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>31,845</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>13,497</b>	<b>5.87x</b>	5.30x	5.87x	> 1.50x
Current liabilities less specific purpose liabilities	<b>2,298</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>10,718</b>	<b>41.54x</b>	51.64x	38.59x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>258</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>621</b>	<b>8.36%</b>	7.83%	5.38%	< 10.00%
Rates and annual charges collectable	<b>7,424</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>11,971</b>	<b>7.18</b>	13.79	11.38	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>1,667</b>	<b>months</b>	months	months	months

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

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

## G4-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>26.89%</b>	34.41%	<b>(18.80)%</b>	5.68%	<b>7.14%</b>	17.88%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>36.72%</b>	30.16%	<b>72.56%</b>	95.95%	<b>98.81%</b>	98.86%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>5.87x</b>	5.30x	<b>14.25x</b>	18.58x	<b>11.79x</b>	15.81x	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>210.92x</b>	261.56x	<b>2.46x</b>	7.69x	<b>1.65x</b>	2.43x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>6.20%</b>	6.04%	<b>16.39%</b>	14.80%	<b>18.49%</b>	16.64%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>6.05 months</b>	12.49 months	<b>14.89 months</b>	14.52 months	<b>88.20 months</b>	51.51 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G5-1 above.

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

**End of the audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Warren Shire Council

To the Councillors of Warren Shire Council

### Opinion

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

In my opinion:

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

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

### Basis for Opinion

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

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

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

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

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

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

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

### **Other Information**

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

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



Hong Wee Soh  
Delegate of the Auditor-General for New South Wales

30 October 2024  
SYDNEY



Cr Greg Whiteley  
 Mayor  
 Warren Shire Council  
 PO BOX 6  
 WARREN NSW 28249

Contact: Hong Wee Soh  
 Phone no: 02 9275 7397  
 Our ref: R008-2124742775-8450

30 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
 for the year ended 30 June 2024  
 Warren Shire Council**

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

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2024 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**INCOME STATEMENT**

**Operating result**

	2024 \$m	2023 \$m	Variance %
Rates and annual charges revenue	6.8	6.6	↑ 3.0
Grants and contributions revenue	19.2	19.9	↓ 3.5
Operating result from continuing operations	10.2	12.0	↓ 15.0
Net operating result before capital grants and contributions	6.4	9.0	↓ 28.9



Rates and annual charges revenue (\$6.8 million) increased by \$0.2 million (3.0 per cent) in 2023–2024.

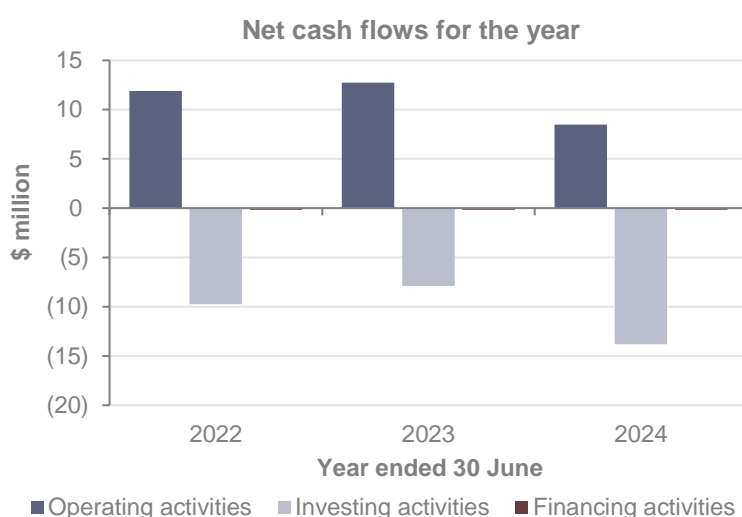
Grants and contributions revenue (\$19.2 million) decreased by \$0.7 million (3.5 per cent) in 2023–2024. Contributing to decrease was receiving 85.0 per cent of the financial assistance grants for 2024–25 in advance compared to 100 per cent in 2022–23.

Council’s operating result from continuing operations (\$10.2 million including the effect of depreciation and amortisation expense of \$3.7 million) was \$1.8 million lower than the 2022–23 result. This was mainly due to increased expenditure in materials and services including flood recovery and road maintenance.

The net operating result before capital grants and contributions (\$6.4 million) was \$2.6 million lower than the 2022–23 result. This was mainly due to the increased expenditure in materials and services and reduced revenue noted above.

## STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash increased by \$5.5 million to \$12.0 million at the end of the financial year.
- The increase is mainly due to grant funds that remained unspent at the end of the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>12.0</b>	<b>17.5</b>	Externally restricted balances comprise mainly of specific purpose unexpended grants – general fund, domestic waste management charges, water and sewer funds.
Restricted cash and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	9.2	11.3	
• Internal allocations	2.2	5.7	

### Debt

After repaying principal and interest, total debt as at 30 June 2024 was \$3.5 million (2023: \$3.7 million).

# PERFORMANCE

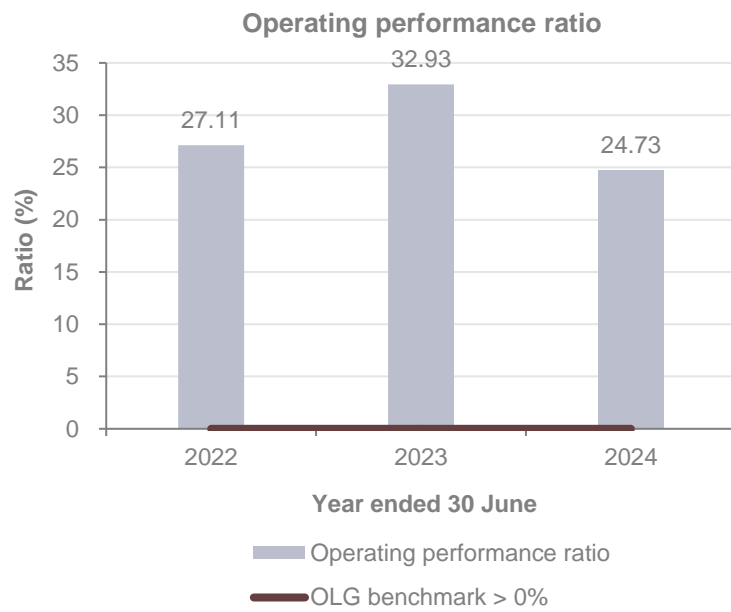
## Performance measures

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

### Operating performance ratio

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

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



### Own source operating revenue ratio

The Council did not meet the OLG benchmark for the current reporting period.

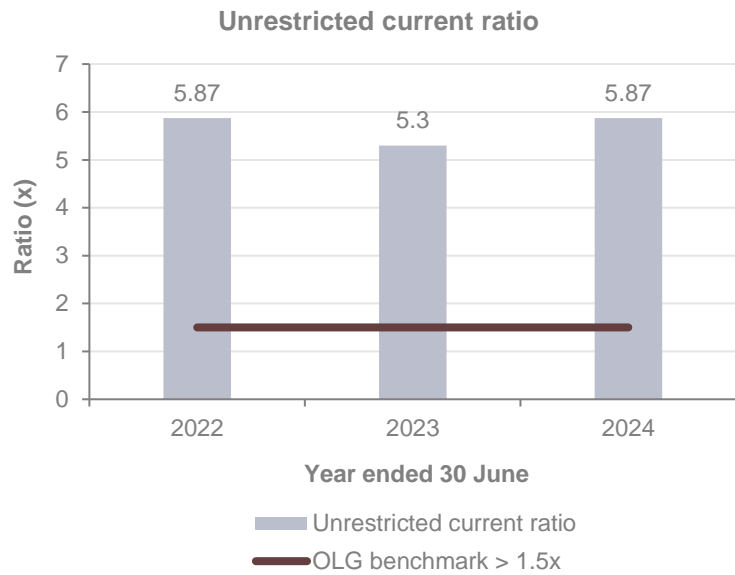
The ‘own source operating revenue ratio’ measures council’s fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

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

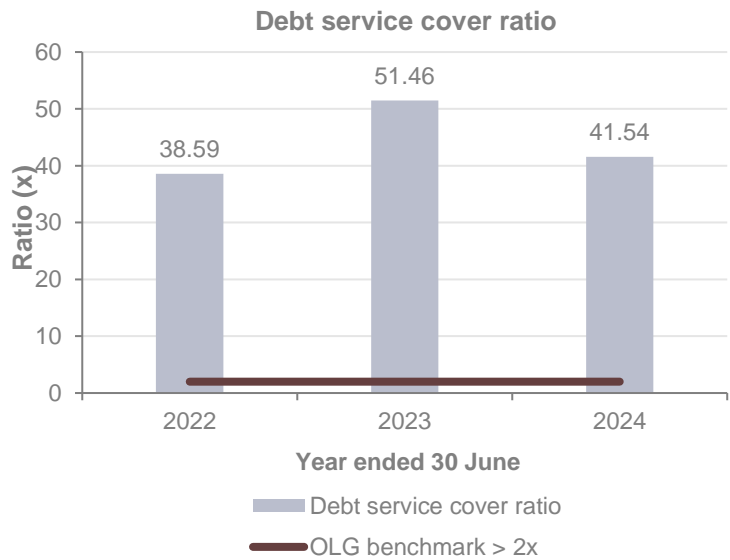
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

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

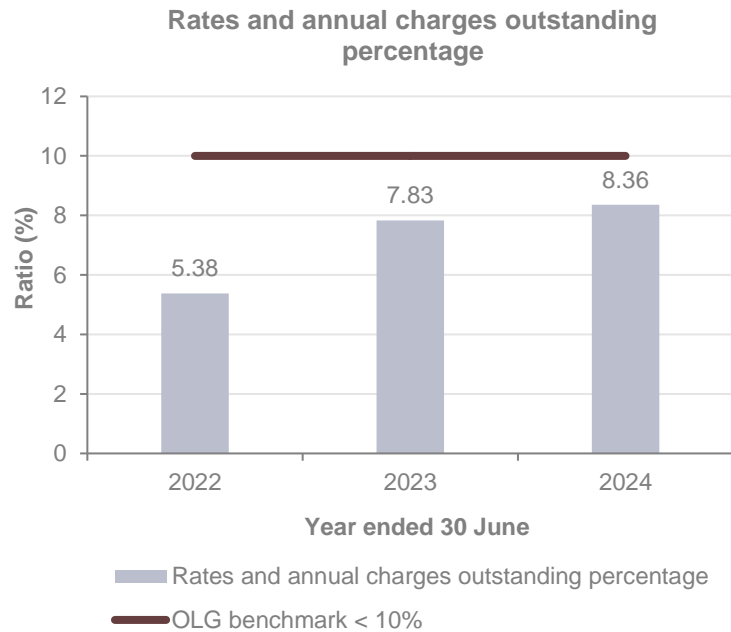
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

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

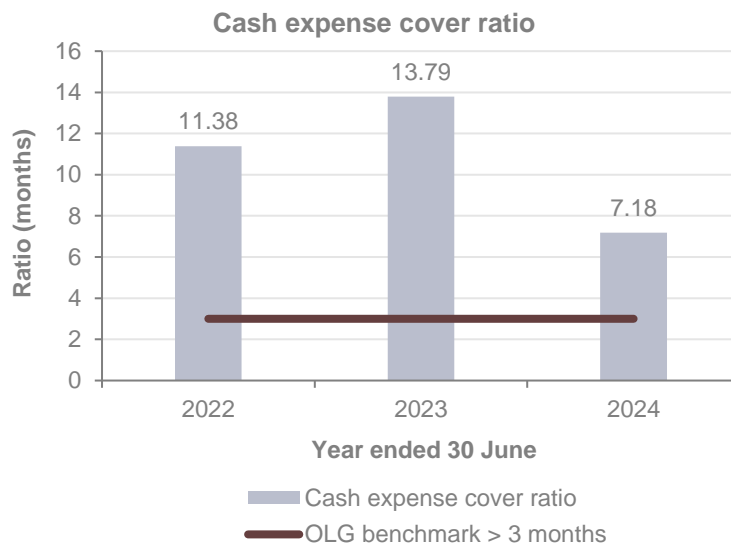
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional councils.



### Cash expense cover ratio

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

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



### Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$13.2 million compared \$6.9 million for the prior year
- The level of asset renewals during the year represented 359 percent of the total depreciation expense (\$3.7 million) for the year.

## Legislative compliance

My audit procedures did not identify any instances of non-compliance the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

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



Hong Wee Soh  
Associate Director, Financial Audit

Delegate of the Auditor-General for New South Wales