

Lockhart Shire Council

Consolidated Financial Statements

for the year ended 30 June 2023

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 16 October 2023.

Cr Greg Verdon

Mayor

16 October 2023

Cr Andrew Rockliff

Councillor

16 October 2023

Peter Veneris

General Manager

16 October 2023

Craig Fletcher

Responsible Accounting Officer

16 October 2023

Lockhart Shire Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Restated Actual 2022
Income from continuing operations				
3,177,676	Rates and annual charges	B2-1	3,679	3,610
474,800	User charges and fees	B2-2	673	575
6,412,830	Other revenues	B2-3	514	413
–	Grants and contributions provided for operating purposes	B2-4	8,793	8,740
44,000	Grants and contributions provided for capital purposes	B2-4	1,876	3,572
225,770	Interest and investment income	B2-5	381	39
–	Other income	B2-6	90	91
–	Net gain from the disposal of assets	B4-1	27	–
10,335,076	Total income from continuing operations		16,033	17,040
Expenses from continuing operations				
3,509,970	Employee benefits and on-costs	B3-1	4,024	3,555
2,526,800	Materials and services	B3-2	5,110	4,039
119,054	Borrowing costs	B3-3	149	158
3,235,642	Depreciation, amortisation and impairment of non-financial assets	B3-4	4,826	4,664
579,967	Other expenses	B3-5	1,056	830
–	Net loss from the disposal of assets	B4-1	–	1,484
9,971,433	Total expenses from continuing operations		15,165	14,730
363,643	Operating result from continuing operations		868	2,310
363,643	Net operating result for the year attributable to Council		868	2,310
319,643	Net operating result for the year before grants and contributions provided for capital purposes		(1,008)	(1,262)

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

Lockhart Shire Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	Restated 2022	Restated 1 July 2021
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	15,425	10,669	8,481
Receivables	C1-3	1,197	1,044	849
Inventories	C1-4	904	907	1,212
Contract assets and contract cost assets	C1-5	344	468	399
Other	C1-7	17	22	7
Total current assets		17,887	13,110	10,948
Non-current assets				
Receivables	C1-3	68	77	86
Infrastructure, property, plant and equipment (IPPE)	C1-6	391,373	368,073	337,771
Investments accounted for using the equity method	D2-1	113	113	110
Total non-current assets		391,554	368,263	337,967
Total assets		409,441	381,373	348,915
LIABILITIES				
Current liabilities				
Payables	C3-1	767	599	1,027
Contract liabilities	C3-2	4,400	944	217
Borrowings	C3-3	188	172	157
Employee benefit provisions	C3-4	855	904	936
Total current liabilities		6,210	2,619	2,337
Non-current liabilities				
Payables	C3-1	-	2	3
Borrowings	C3-3	2,984	3,181	3,366
Employee benefit provisions	C3-4	97	91	93
Provisions	C3-5	788	788	386
Total non-current liabilities		3,869	4,062	3,848
Total liabilities		10,079	6,681	6,185
Net assets		399,362	374,692	342,730
EQUITY				
Accumulated surplus		242,800	241,932	239,486
IPPE revaluation reserve		156,243	132,760	103,244
Council equity interest		399,043	374,692	342,730
Total equity		399,043	374,692	342,730

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

Lockhart Shire Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
3,715	Rates and annual charges		3,618	3,616
477	User charges and fees		687	626
236	Interest received		340	34
6,426	Grants and contributions		14,188	12,357
44	Other		938,165	1,485
<i>Payments:</i>				
(4,028)	Payments to employees		(4,059)	(3,581)
(2,317)	Payments for materials and services		(5,028)	(4,456)
(152)	Borrowing costs		(150)	(160)
-	Bonds, deposits and retentions refunded		(31)	(23)
(580)	Other		(938,625)	(1,546)
3,821	Net cash flows from operating activities	G1-1	9,105	8,352
Cash flows from investing activities				
<i>Receipts:</i>				
-	Sale of real estate assets		120	222
-	Proceeds from sale of IPPE		1	156
13	Deferred debtors receipts		9	9
<i>Payments:</i>				
(3,470)	Payments for IPPE		(4,617)	(6,376)
-	Purchase of real estate assets		-	(5)
(3,457)	Net cash flows from investing activities		(4,487)	(5,994)
Cash flows from financing activities				
<i>Payments:</i>				
(179)	Repayment of borrowings		(181)	(170)
(179)	Net cash flows from financing activities		(181)	(170)
185	Net change in cash and cash equivalents		4,437	2,188
10,669	Cash and cash equivalents at beginning of year		10,669	8,481
10,854	Cash and cash equivalents at end of year	C1-1	15,106	10,669

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

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

\$ '000	2023	2022
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	4,865	7,093
Less: Internally restricted cash, cash equivalents and investments	<u>(7,922)</u>	<u>(6,427)</u>
Unrestricted and unallocated cash, cash equivalents and investments	<u>(3,057)</u>	<u>666</u>

Internal allocations

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

Plant and vehicle replacement	52	13
Employees leave entitlement	831	831
Systems & IT Improvements	177	177
Advance financial assistance – general	2,909	1,936
Advance financial assistance – roads	1,688	1,144
Economic development	75	75
Future election expenses	36	24
Galore Hill reserve	16	16
Lockhart recreation ground	–	10
Waste Management Reserve	25	25
Buildings	146	146
Rehabilitation Reserve	261	257
Disaster Recovery	418	418
Future Infrastructure Development	836	836
Community Financial Assist S356	70	56
Tim Fischer Bequest	66	100
Bonds & Retentions	18	38
Section 355 Committee Funds	<u>298</u>	<u>325</u>
Total internal allocations	<u>7,922</u>	<u>6,427</u>

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

\$ '000	2023	2022
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	<u>(3,057)</u>	<u>666</u>

Lockhart Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Planning and Environment, Water's *Regulatory and assurance framework for local water utilities*.

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

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

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

Signed in accordance with a resolution of Council made on 16 October 2023.

Cr Greg Verdon

Mayor

16 October 2023

Cr Andrew Rockliff

Councillor

16 October 2023

Peter Veneris

General Manager

16 October 2023

Craig Fletcher

Responsible Accounting Officer

16 October 2023

Lockhart Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2023

\$ '000	2023	2022
Income from continuing operations		
Access charges	530	525
User charges	3	2
Fees	40	18
Interest and investment income	13	12
Total income from continuing operations	586	557
Expenses from continuing operations		
Employee benefits and on-costs	24	43
Borrowing costs	33	34
Materials and services	304	340
Depreciation, amortisation and impairment	265	255
Total expenses from continuing operations	626	672
Surplus (deficit) from continuing operations before capital amounts	(40)	(115)
Surplus (deficit) from continuing operations after capital amounts	(40)	(115)
Surplus (deficit) from all operations before tax	(40)	(115)
Surplus (deficit) after tax	(40)	(115)
Plus accumulated surplus	7,128	7,243
Plus adjustments for amounts unpaid:		
Less:		
Closing accumulated surplus	7,088	7,128
Return on capital %	(0.1)%	(0.8)%
Subsidy from Council	442	447
Calculation of dividend payable:		
Surplus (deficit) after tax	(40)	(115)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Lockhart Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	2,324	2,256
Receivables	147	89
Total current assets	2,471	2,345
Non-current assets		
Infrastructure, property, plant and equipment	10,809	9,989
Total non-current assets	10,809	9,989
Total assets	13,280	12,334
LIABILITIES		
Current liabilities		
Payables	3	3
Borrowings	41	39
Total current liabilities	44	42
Non-current liabilities		
Borrowings	777	818
Total non-current liabilities	777	818
Total liabilities	821	860
Net assets	12,459	11,474
EQUITY		
Accumulated surplus	7,088	7,128
Revaluation reserves	5,431	4,346
Total equity	12,519	11,474