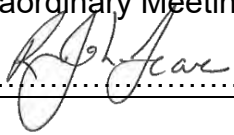



**REPORTS TO MURRUMBIDGEE COUNCIL
EXTRAORDINARY MEETING TO BE HELD TUESDAY 16 JANUARY 2024**

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.....General Manager .....Mayor

ACKNOWLEDGEMENT OF COUNTRY

We pay respect to the traditional custodians of the lands and waters of Murrumbidgee Local Government Area, and to all Aboriginal Elders, past and present and emerging. We are committed to honouring the continuing connection that First Australians hold to Murrumbidgee's land, waters and community, as one of the oldest living cultures in human history.

RECORDING & WEBCASTING OF MEETING

In the spirit of open, accessible and transparent Government, and to ensure this meeting is open to the public, this Council meeting is being recorded and livestreamed to the Murrumbidgee Council facebook page. A recording will also be placed on Council's website following the meeting.

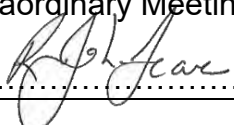
Murrumbidgee Council accepts no liability for any defamatory, discriminatory or offensive remarks or gestures that are made during the course of the Council Meeting. Opinions expressed or statements made by individuals are the opinions or statements of those individuals and do not imply any form of endorsement by Murrumbidgee Council.

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This is page 2 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

OFFICERS' REPORTS FOR CONSIDERATION

ITEM NO. 1 - AUDITED FINANCIAL STATEMENTS

Council Meeting:	16 January 2024
Report Date:	21 December 2023
Author:	Chief Financial Officer
File #:	SC133
Approval:	General Manager

EXECUTIVE SUMMARY

Under Section 419 (1) of the Local Government Act 1993, Council must present its audited financial reports, together with the auditor's reports, at a meeting of the Council.

Mr Brad Bohun of Crowe Australasia will be attending the meeting via video conference to present the financial statements to Council.

RECOMMENDATION

That the audited financial statements, encompassing the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules for the year ended 30 June 2023, be adopted.

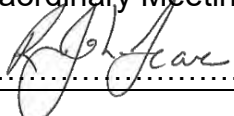
BACKGROUND


Council was presented with the draft financial statements at the November 2023 Council meeting and received an extension of time to prepare and lodge these statements until 22 December 2023.

The auditor's reports have now been received. As expected, the audit opinion was modified in relation to the Rural Fire Service firefighting assets. Council's General Manager and Chief Financial Officer will continue to liaise with relevant stakeholders in relation to this issue.

During the audit process, two changes of note were made to the financial statements:

This is page 3 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

1. Stronger Communities Fund accounting treatment

Councillors will recall that, in the draft financial statements, a prior period error was identified in relation to unspent interest (particularly in relation to the Stronger Communities Fund) unaccounted for.

This led the NSW Audit Office to review the historical treatment of these funds as contract liabilities since the introduction of AASB 1058 *Income of not-for-profit entities*, which was applicable from the financial year ended 30 June 2020.

They concluded that this treatment was appropriate for Round 2 funds. However, they considered that Round 1 funds do not meet the recognition requirements in AASB 15 nor AASB 1058 and hence should not have been accounted for as contract liabilities.

Hence, contract liabilities and grant revenue were reduced for the years presented in the current financial statements, with the balance adjusted via accumulated surplus.

These amounts continue to be accounted for as externally restricted cash, meaning that Council is in the same unrestricted cash position as originally presented in the draft financial statements.

2. Fair value of transport assets

An error in the calculation for the indexation of transport assets was identified, leading to an increase of \$11.6m in the fair value of IPPE and a corresponding increase in the revaluation reserve.

OFFICER COMMENT

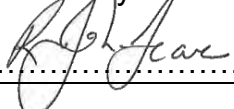
The Consolidated Income Statement indicates an operating surplus for the year of \$3.94m for the year ended 30 June 2023.

The Statement of Financial Position indicates total net assets of \$378.8m. The increase compared to 2022's \$328.4m figure substantially relates to increases in the fair value of Council's IPPE recognised as a result of valuations performed for the majority of Council's assets as at 1 July 2022 and subsequent indexation.

The Statement of Cash Flows indicates a net decrease of cash and cash equivalents for the year of \$10.2m, however there has also been an increase in investments of \$17.0m (attributable to the accounting treatment of longer-term investments).

Hence, the total of cash, cash equivalents and investments on hand equates to \$37.1m compared to \$30.3m in the 2022 financial year. Of these funds, \$22.8m is externally restricted and a further \$12.2m is subject to internal restrictions. That is,

This is page 4 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

Council's unrestricted cash as at 30 June 2023 was \$2.1m, in excess of the target set under the *Financial Reserves Policy* adopted in June 2023.

Performance ratios indicate the financial performance of the Council against defined industry benchmarks.

All ratios met or exceeded the benchmark, with the exception of own source operating revenue, which was 38.23% compared to a target of 60%. This is consistent with prior years, and is reflective of Council's reliance on grant funding and limitations in its ability to raise revenue.

Also of note was the improvement in Council's operating performance ratio which, at 4.65%, exceeded the 0% benchmark. However, it is important to consider that the full prepayment of the 2024 Financial Assistance Grant is included within the calculation of this benchmark, limiting its accuracy as a measure of Council's financial performance.

The independent auditor's report states that:

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

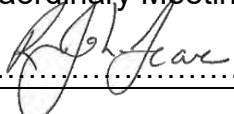
- *the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)*
- *the financial statements:*
 - *have been prepared, in all material respects, in accordance with the requirements of this Division*
 - *are consistent with the Council's accounting records*
 - *present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards*
- *all information relevant to the conduct of the audit has been obtained*
- *no material deficiencies in the accounting records or financial statements have come to light during the audit.*

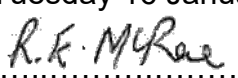
The 'Basis for Qualified Opinion' is not reproduced here, and we refer to the report contained within the financial statements for Councillors' information, noting that we disagree with the NSW Audit Office's assessment of this matter.

SUSTAINABILITY

N/A

This is page 5 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

STATUTORY COMPLIANCE/POLICY

The financial statements are presented in accordance with section 419 of the *Local Government Act 1993*.

FINANCIAL

Financial information is contained within the audited financial statements.

The presentation of these statements itself has no financial impact.

INTEGRATED PLANS

5.1 We have strong partnerships with our community, government and other stakeholders and are seen as a trusted and reliable organisation

5.1.3 Maintain sound legislative decision-making that is ethical, accountable and transparent

5.1.4 Provide best practice financial, corporate and operational management and reporting that meets legislative requirements

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

- General Manager
- Finance Manager
- Accountant
- NSW Audit Office
- Crowe Australasia

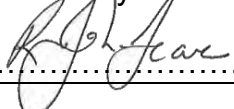
Public submissions in relation to the audited financial statements are to be received within 7 days of this meeting in accordance with section 420 of the *Local Government Act 1993*. Any submissions must be in writing and will be referred to the auditor, and Council may take such action as it considers appropriate with respect to any such submission.

OPTIONS

Option 1 (recommendation)

That the audited financial statements, encompassing the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules for the year ended 30 June 2023, be adopted.

This is page 6 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

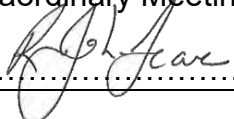
Option 2

Any other resolution of Council.

ATTACHMENTS

- Attachment # 1: 2022-23 General Purpose Financial Statements
- Attachment # 2: 2022-23 Special Purpose Financial Statements
- Attachment # 3: 2022-23 Special Schedules

This is page 7 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

ITEM NO. 2 - JERILDERIE INDEPENDENT LIVING LIMITED – RETURN OF LAND TO COUNCIL

Council Meeting:	16 January 2024
Report Date:	9 January 2024
Author:	Director Planning Community & Development
File #:	SC88
Approval:	Director Planning Community & Development

EXECUTIVE SUMMARY

The purpose of this report is to seek Council consideration of an offer from the Jerilderie Independent Living Ltd to return to Council land situated at 12 and 14 Bunyola Boulevard Jerilderie.

RECOMMENDATION

That:

- 1. Council accept the offer from the Jerilderie Independent Living Ltd to return to Council land situated at 12 and 14 Bunyola Boulevard Jerilderie;**
- 2. All costs associated with the transfer of the titles for 12 and 14 Bunyola Boulevard Jerilderie be borne by Council;**
- 3. The Common Seal of Council be placed on documents, as required;**
- 4. 12 and 14 Bunyola Boulevard Jerilderie be designated as land for the construction of Council's 4 x 2 bedroom units**

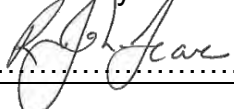
BACKGROUND

At the Council meeting of 26 June 2018, Council resolved:

- Owner's consent be granted to allow the Jerilderie Independent Living Pty Ltd to lodge a Development Application for the proposed independent living units on lots 74, 75, 76 and 77, DP 1225744, 12-18 Bunyola Boulevard, Jerilderie.
- Lots 74, 75, 76 and 77, DP 1225744, 12-18 Bunyola Boulevard, Jerilderie be donated to Jerilderie Independent Living Pty Ltd for the purpose of constructing independent living units.

Following this resolution, Lots 76 and 77 (numbers 16 and 18) were consolidated and 4 independent units were constructed on the new lot. Lots 74 and 75 (numbers 12 and 14) Bunyola Boulevard remain vacant.

This is page 8 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager

.....Mayor

OFFICER COMMENT

The letter from the Jerilderie Independent Living Ltd states that “*At this stage JILL has no intention of building more units and we feel it is prudent to return these gifted blocks to Council for re-purposing.*”

Should Council resolve to accept the offer from Jerilderie Independent Living Limited, land at 12 and 14 Bunyola Boulevard could be designated as land for the construction of 4 x 2 bedroom units. At the October 2023 meeting of Council, it was resolved that 4 x 2 bedroom homes be built on one lot of land in the Wunnamurra Estate. Meaning Council to provision 2 lots.

STATUTORY COMPLIANCE/POLICY

Under the Local Government Act 1993 a Council may acquire land for the purposes of exercising its functions.

FINANCIAL

It is proposed that all costs associated with the transfer of ownership of land be borne by Council.

CONSULTATION / ENGAGEMENT

- Director Planning, Community & Development
- Executive Team

OPTIONS

Option 1 (recommendation)

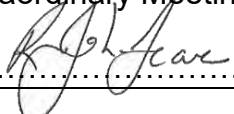
That:

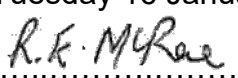
1. Council accept the offer from the Jerilderie Independent Living Ltd to return to Council land situated at 12 and 14 Bunyola Boulevard Jerilderie;
2. All costs associated with the transfer of the titles for 12 and 14 Bunyola Boulevard Jerilderie be borne by Council;
3. The Common Seal of Council be placed on documents, as required;
4. 12 and 14 Bunyola Boulevard Jerilderie be designated as land for the construction of Council's 4 x 2 bedroom units

Option 2

Any other resolution of the Council

This is page 9 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

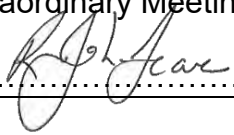

.......... General Manager

.......... Mayor

ATTACHMENTS

Attachment # 4: Letter from the Board of Directors, Jerilderie Independent Living Ltd.

This is page 10 of 10 of the General Manager's Reports as submitted to the Extraordinary Meeting of Murrumbidgee Council held Tuesday 16 January 2024.

.....General Manager .....Mayor
