

# Mid North Coast Joint Organisation

GENERAL PURPOSE FINANCIAL STATEMENTS

For the period from 9 May 2018 to 30 June 2019

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# Mid North Coast Joint Organisation

For the period from 9 May 2018 to 30 June 2019

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Mid North Coast Joint Organisation is constituted under the *Local Government Act 193 (NSW)* and has its principal place of business at:

Mid North Coast Joint Organisation  
Cnr Lord and Burrawan Streets  
Port Macquarie NSW 2444

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

## Mid North Coast Joint Organisation

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

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

- \* the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder.
- \* the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- \* the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting

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

- \* present fairly Mid North Coast Joint Organisation's operating result and financial position for the period, and
- \* accord with Mid North Coast Joint Organisation's accounting and other records.

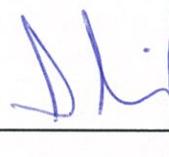
We are not aware of any matter that would render this report false or misleading in any way.

Signed in accordance with a resolution of the Board of Mid North Council Joint Organisation made on 11 October 2019.



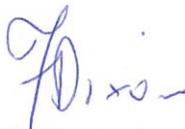
Chairperson

11 / 10 / 19



Voting Representative Board Member

11 / 10 / 19



Fionnuala Dixon  
Executive Officer

11 / 10 / 19

## Mid North Coast Joint Organisation

### Income statement and Other Comprehensive Income for the period 9 May 2018 to 30 June 2019

		<b>Actual</b>
		<b>Period 9 May</b>
		<b>2018 to 30</b>
		<b>June 2019</b>
	Notes	\$
<b>Income from continuing operations</b>		
<b>Revenue:</b>		
Member council contributions	2a	38,182
User charges and fees	2b	-
Interest and investment revenue	2c	442
Grants and contributions provided for operating purposes	2d	450,000
Grants and contributions provided for capital purposes	2d	-
Other Income	2e	<u>1,318</u>
<b>Total income from continuing operations</b>		<u>489,942</u>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	3a	35,293
Borrowing costs	3b	-
Depreciation		-
Administrative Expenses	3c	<u>140,371</u>
<b>Total expenses from continuing operations</b>		<u>175,664</u>
<b>Net operating result for the period</b>		<u><u>314,278</u></u>
<b>Other comprehensive income</b>		-
<b>Total other comprehensive income</b>		<u>-</u>
<b>Total comprehensive income</b>		<u><u>314,278</u></u>

The above Income statement and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Mid North Coast Joint Organisation

## Statement of financial position

as at 30 June 2019

	Notes	Actual 2019 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4	336,685
Investments	5	-
Receivables	6	5,247
Prepayments		-
<b>Total current assets</b>		<b>341,932</b>
<b>Non-current assets</b>		
Investments	5	-
Property, plant and equipment	7	-
Other		-
<b>Total non-current assets</b>		<b>-</b>
<b>Total assets</b>		<b>341,932</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	8	25,460
Income received in advance		-
Borrowings	8	-
Provisions	9	2,194
<b>Total current liabilities</b>		<b>27,654</b>
<b>Non-current liabilities</b>		
Payables	10	-
Borrowings	8	-
Provisions	9	-
<b>Total non-current liabilities</b>		<b>-</b>
<b>Total liabilities</b>		<b>27,654</b>
<b>Net assets</b>		<b>314,278</b>
<b>EQUITY</b>		
Accumulated Surplus		314,278
Reserves	10	-
<b>Total equity</b>		<b>314,278</b>

The above Statement of financial position should be read in conjunction with the accompanying notes.

## Mid North Coast Joint Organisation

### Statement of changes in equity

For the period from 9 May 2018 to 30 June 2019

	Actual 2019 \$		
	Accumulated Surplus	Reserves	Total equity
<b>Opening balance</b>	-	-	-
<b>Restated opening balance</b>	-	-	-
Net operating result for the year	314,278		314,278
Other comprehensive income		-	-
<b>Total comprehensive income</b>	314,278	-	314,278
<b>Closing balance</b>	<b>314,278</b>	-	<b>314,278</b>

# Mid North Coast Joint Organisation

## Statement of cash flows

For the period from 9 May 2018 to 30 June 2019

	<b>Period 9 May 2018 to 30 June 2019</b>
Notes	\$'000
<b>Cash flows from operating activities</b>	
<b>Receipts:</b>	
Contributions from member councils	38,182
User charges and fees	-
Investment revenue and interest	442
Grants	450,000
Other	1,318
<b>Payments:</b>	
Employees and suppliers	(153,257)
Borrowing costs	-
Other	-
<b>Net cash provided from (or used) in operating activities</b>	<b><u>336,685</u></b>
<b>Cash flows from investing activities</b>	
<b>Receipts:</b>	
Other	-
<b>Payments:</b>	
Purchase of investments (term deposits)	-
Purchase of infrastructure, property, plant and equipment	-
<b>Net cash used in investing activities</b>	<b><u>-</u></b>
<b>Cash flows from financing activities</b>	
<b>Receipts:</b>	
Proceeds from investments	-
<b>Payments:</b>	
Repayment of investments	-
<b>Net cash provided by (or used in) financing activities</b>	<b><u>-</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>336,685</b>
Cash and cash equivalents at beginning of reporting period	-
<b>Cash and cash equivalents at end of reporting period</b>	<b><u><u>336,685</u></u></b>

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The above Statement of cash flows should be read in conjunction with the accompanying notes.

# Mid North Coast Joint Organisation

## Notes to the financial statements

For the period from 9 May 2018 to 30 June 2019

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## Note 1 Basis of Preparation

Mid North Coast Joint Organisation (JO) was established on 9 May 2018 and the financial statements include the results of the JO from establishment until 30 June 2019 and the financial position at 30 June 2019.

Future reporting periods will be from 1 July to 30 June of the relevant year.

These financial statements were authorised for issue by the Board of the Joint Organisation on 11 October 2019. The Board has the power to amend and reissue these financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Local Government Act 1993 (NSW)* and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. Mid North Coast Joint Organisation is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

(a) *New and amended standards adopted by Mid North Coast Joint Organisation*

The JO is currently in the process of determining the potential effects of the implementation of AASB 15: Revenue from Contracts with Customers and AASB 1058 Income for not for profits and will reflect accordingly in FY19/20.

(b) *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

(c) *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 JO'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 JO and that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

Mid North Coast Joint Organisation 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:

(1) employee leave provisions - refer Note 9

*Significant judgements in applying the JO accounting policies*

(1) None are applicable at this stage.

### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

## Note 2 Income from continuing operations

	Period 9 May 2018 to 30 June 2019	
	\$	
<b>(a) Member Council contributions</b>		
Port Macquarie Hastings Council		12,728
Kempsey Shire Council		12,727
Bellingen Shire Council		12,727
<b>Total member council contributions</b>		<b>38,182</b>
<b>(b) User charges and fees</b>		
		-
<b>Total user charges and fees</b>		-
<b>(c) Interest and Investment revenue</b>		
Interest in financial assets measured at amortised cost		442
Other		-
<b>Total interest and investment revenue (1)</b>		<b>442</b>
<b>(d) Grants</b>		
	<b>Operating</b>	<b>Capital</b>
	<b>Period 9 May 2018 to 30 June 2019</b>	
Office of Local Government (OLG) joint organisation establishment funding	300,000	-
Office of Environment & Heritage - Saving our Species - Koala Recovery Partnership	150,000	-
<b>Total grants</b>	<b>450,000</b>	-
<b>Comprising:</b>		
- Commonwealth funding		
- State funding	450,000	-
- Other funding	-	-
	<b>450,000</b>	-
<b>(e) Other income</b>		
Other Income		1,318
<b>Total other income</b>		<b>1,318</b>

Note 2 Income from continuing operations

**Accounting policy for income**

Mid North Council Joint Organisation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the JO and specific criteria have been met for each of the JO's activities as described below. The JO bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Contributions by member councils** are accounted for when the amount to be paid for the period has been determined and communicated to councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded as its fair value).

The methodology for determining the contributions is:

- equal contributions by all member councils in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation.
- contributions by participating member councils for the functions of enhancing strategic capacity and direct service delivery.

**User charges and fees** are recognised as revenue when the service has been provided.

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

**Grant revenue** - Control over grants is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted asset at the date of transfer.

A liability is recognised in respect of grant income that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

**Other revenue** is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## Note 3 Expenses from continuing operations

	Actual Period 9 May 2018 to 30 June 2019 \$
<b>(a) Employee benefits and on costs</b>	
Salaries and wages	26,937
Travelling	3,350
Employee leave entitlements	2,194
Superannuation	2,509
Workers' compensation insurance	303
Other	-
<b>Total employee costs expended</b>	<b>35,293</b>
<b>(b) Borrowing Costs</b>	
Interest on Loans	-
<b>Total borrowing costs expended</b>	<b>-</b>
<b>(c) Administrative expenses</b>	
Contractor and consultancy costs	
- Executive Officer Services	20,610
- University Technology Sydney - Statement of Strategic Regional Priorities	8,134
- University Technology Sydney - Draft Communications Plan	12,390
- University Technology Sydney - Project Management	5,000
- University Technology Sydney - Survey Questionnaire Design	5,000
- University Technology Sydney - Micromex Research- Community Survey	64,700
Advertising	3,357
Audit	6,500
Catering	732
Office Expenses	9,306
Other	1,867
Travelling	2,775
<b>Total administrative expenses</b>	<b>140,371</b>

## Note 3 Expenses from continuing operations

	Actual Period 9 May 2018 to 30 June 2019 \$
<b>Auditors' remuneration</b>	
Auditors of the JO - NSW Auditor-General:	
(i) Audit and other assurance services	
Audit and review of financial statements	6,500
<b>Total fees paid or payable to the Auditor-General</b>	<b>6,500</b>
(ii) Other assurance services - provided to the JO	-
<b>Total fees paid or payable to other audit firms</b>	<b>-</b>
<b>Total remuneration of auditors</b>	<b>6,500</b>

**Accounting policy for expenses**

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

**Borrowing costs** are expenses as incurred.

**Depreciation** is calculated using the straight-line method to allocate the cost of the asset, net of residual values, over the asset's estimated useful lives.

**Other Expenses** are recorded on an accruals basis at the JO receives the goods or services.

Note 4 Cash and cash equivalents

	Actual \$
Cash at bank and on hand	336,685
Deposits at call	-
	<u>336,685</u>

**Accounting policy for cash and cash equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 5 Investments

	Actual 2019	
	Current \$	Non-Current \$
<b>The following financial assets are held as investments:</b>		
<b>Debt securities at amortised cost</b>		
Term deposits	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
Debt securities at amortised cost/held to maturity		
- Term Deposits	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**Accounting policy for investments**

Term deposits are initially recognised at fair value and then subsequently classified and measured at amortised cost. Interest income, impairment and gains or loss on derecognition are recognised in profit or loss.

## Note 6 Receivables

	2019	
	Current	Non-Current
	\$	\$
<b>Purpose</b>		
Receivables from member councils		
Grant receivables		
Other (GST receivable)	5,247	-
<b>Total</b>	<b>5,247</b>	<b>-</b>
<b>Less: Provision for impairment:</b>		
Other	-	-
	-	-
<b>Net Receivables</b>	<b>5,247</b>	<b>-</b>

**Accounting policy for receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

The Joint Organisation applies the simplified approach for receivables in providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

## Note 7 Property, plant and equipment

By asset class	At 9 May 2018						At 30 June 2019		
	Gross carrying amount \$	Accum depreciation & Impairment \$	Net carrying amount \$	Additions \$	Carrying value of disposals \$	Depn and impairment \$	Gross carrying amount \$	Accum depreciation & Impairment \$	Net carrying amount \$
Office equipment	-	-	-	-	-	-	-	-	-
Furniture and fittings	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
<b>Totals</b>	-	-	-	-	-	-	-	-	-

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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 the JO and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement and Other Comprehensive Income during the financial period in which they are incurred.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Vehicles - 5 to 8 years  
Office Equipment - 5 to 10 years  
Office Furniture - 10 to 20 years  
Computer equipment - 5 to 10 years

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

## Note 8 Payables and borrowings

	2019	
	Current \$	Non- Current \$
<b>Payables</b>		
Trade payables	7,177	-
Accrued expenses	18,283	-
Other payables	-	-
<b>Total payables</b>	<b>25,460</b>	<b>-</b>
<b>Borrowings</b>		
Loans - Secured	-	-
<b>Total borrowings</b>	<b>-</b>	<b>-</b>
<b>(d) Financing arrangements</b>		<b>2019</b>
<b>Total facilities</b>		
The amount of total financing facilities available to council at the reporting date is:		
- Bank overdraft facility		-
- Corporate credit cards		-
		<b>-</b>
<b>Drawn facilities</b>		
The amount of financing facilities drawn down at the reporting date is:		
- Bank overdraft facility		-
- Corporate credit cards		-
		<b>-</b>
<b>Undrawn facilities</b>		
The amount of undrawn financing facilities available to council at the reporting date is:		
- Bank overdraft facilities		-
- Purchase Cards		-
		<b>-</b>

**Accounting policy for payables and borrowings**

The Mid North Coast Joint Organisation measures all financial liabilities initially at fair value less transaction costs, subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the JO comprise trade and other payables.

Trade payables represent liabilities for goods and services provided to the JO prior to the end of financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 9 Provisions

	2019	
	Current	Non-Current
	\$	\$
<b>Employee benefits provisions</b>		
Annual leave	2,194	-
Long service leave	-	-
<b>Other provisions</b>		
Other provisions	-	-
<b>Total provisions</b>	<b>2,194</b>	<b>-</b>
<b>Current provisions not expected to be settled within the next 12 months</b>	<b>-</b>	<b>-</b>

**(a) Description of and movements in provisions**

The movement in each class of provision (excluding those relating to employee benefits) is presented in the table below.

	Other Provision	Total
At beginning of year	-	-
Changes in provision:		
Revised Costs	-	-
Revised discount rate	-	-
Unwinding of discount	-	-
Closing Balance	-	-

**Nature and purpose of non-employee benefit provisions**

The Mid North Coast Joint Organisation does not have any non-employee provisions

## Note 9 Provisions

### Accounting policy for provisions

Provisions are recognised when: the JO has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, (including non-monetary benefits and annual 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 is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *On-costs*

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

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

The obligations are presented as current liabilities in the Statement of Financial Position if the JO does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Note 10 Reserves

(a) Nature and purpose of reserve

The Mid North Coast Joint Organisation does not have any reserves at 30 June 2019.

Note 11 Commitments

	Actual 2019 \$
Notes	
<b>(a) Capital commitments (exclusive of GST)</b>	
Capital expenditure committed for at the end of the reporting date but not recognised in the financial statements as liabilities:	
- Plant and equipment	-
	-

**(b) Non-cancellable operating lease commitments**

The Mid North Coast Joint Organisation does not have any operating lease commitments at 30 June 2019.

## Note 12 Contingencies

The JO 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. The JO's share of the net assets or liabilities reflects the JO'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 2019 may result in future liabilities or benefits as a result of past events that the JO will be required to fund or share respectively.

Note 13 Financial risk management

Risk management

The Mid North Coast Joint Organisation's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk.

Financial risk management is carried out by the finance team under policies approved by the JO Board.

The fair value of receivables, investments and financial liabilities approximates the carrying amount.

Note 14 Related Party Disclosures

**Key management personnel**

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

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

Compensation	2019 (\$)
Short-term benefits	5,268
<b>Total</b>	<b>5,268</b>

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

Item No	Nature of the transaction	Amount of the transactions during the period (\$)	Outstanding balances, including commitments at year end (\$)	Terms and conditions	Provisions for impairment of receivables related to the amount of outstanding balances (\$)	The expense recognised during the period relating to bad or doubtful debts due from related parties (\$)
2019	-	-	-	-	-	-

**Other related parties**

Item No	Nature of the transaction	Amount of the transactions during the period (\$)	Outstanding balances, including commitments at year end (\$)	Terms and conditions	Provisions for impairment of receivables related to the amount of outstanding balances (\$)	The expense recognised during the period relating to bad or doubtful debts due from related parties (\$)
2019	-	-	-	-	-	-

**Note 15 Events occurring after reporting date**

Events that occur after the reporting date of 30 June 2019, and up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report. The JO has determined the date of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the JO or the results of those operations.



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Mid North Coast Joint Organisation

To the Board of the Mid North Coast Joint Organisation

### Opinion

I have audited the accompanying financial statements of the Mid North Coast Joint Organisation (the Joint Organisation), which comprise the Income Statement and Other Comprehensive Income for the period 9 May 2018 to 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the period 9 May 2018 to 30 June 2019, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Board and Management.

In my opinion:

- the Joint Organisation'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 presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Joint Organisation's accounting records
  - present fairly, in all material respects, the financial position of the Joint Organisation as at 30 June 2019, and of its financial performance and its cash flows for the period 9 May 2018 to 30 June 2019 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements
- 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 Joint Organisation 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' (APES 110).

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

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

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

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

### **The Board's Responsibilities for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Local Government Act 1993*, and for such internal control as the Board 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 Board is responsible for assessing the Joint Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Joint Organisation will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

### **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.

My opinion does not provide assurance:

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



Gearoid Fitzgerald

Delegate of the Auditor-General for New South Wales

4 November 2019  
SYDNEY