

# Northern Rivers Joint Organisation

## GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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# Northern Rivers Joint Organisation

## General purpose financial statements

for the year ended 30 June 2023

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Northern Rivers Joint Organisation is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

Northern Rivers Joint Organisation  
PO Box 146  
Lismore NSW 2480

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

# Northern Rivers Joint Organisation

## Statement by Members of the Board 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 (NSW)* and the regulations made thereunder
- the Australian Accounting Standards – Simplified Disclosures 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 Northern Rivers Joint Organisation operating result and financial position for the period
- accord with Northern Rivers Joint Organisation 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 NORTHERN RIVERS JOINT ORGANISATION made on:

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Sharon Cadwallader  
**Chairperson**

/ / 2023

Kylie Thomas  
**Deputy Chairperson**

/ / 2023

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Phil Rudd  
**Executive Officer**

/ / 2023

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# Northern Rivers Joint Organisation

## Statement of Income and Accumulated Surplus for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Income</b>			
Member council contributions	B1-1	251,300	201,100
User charges and fees	B1-2	16,863	33,725
Grants provided for operating purposes	B1-3	1,350,917	50,850
Interest and investment income	B1-4	10,808	1,341
Other income	B1-5	76,532	47,182
<b>Total income</b>		<b>1,706,420</b>	<b>334,198</b>
<b>Expenses</b>			
Employee benefits and on-costs	B2-1	532	80,532
Administrative expenses	B2-2	209,329	128,234
Project expenses	B2-3	861,419	393,834
<b>Total expenses</b>		<b>1,071,280</b>	<b>602,600</b>
<b>Net result for the year</b>		<b>635,140</b>	<b>(268,402)</b>
<b>Accumulated surplus at 1 July</b>		<b>775,564</b>	<b>1,043,966</b>
<b>Accumulated surplus as at 30 June</b>		<b>1,410,704</b>	<b>775,564</b>

The above Statement of Income and Accumulated Surplus should be read in conjunction with the accompanying notes.

# Northern Rivers Joint Organisation

## Statement of Financial Position as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	1,489,193	836,701
Receivables	C1-2	106,895	4,948
Contract assets and contract cost assets	C1-3	-	11,583
<b>Total current assets</b>		<b>1,596,088</b>	<b>853,232</b>
<b>Total assets</b>		<b>1,596,088</b>	<b>853,232</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	149,038	77,668
Contract liabilities	C3-2	36,346	-
<b>Total current liabilities</b>		<b>185,384</b>	<b>77,668</b>
<b>Total liabilities</b>		<b>185,384</b>	<b>77,668</b>
<b>Net assets</b>		<b>1,410,704</b>	<b>775,564</b>
<b>EQUITY</b>			
Accumulated surplus		1,410,704	775,564
<b>Total equity</b>		<b>1,410,704</b>	<b>775,564</b>

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

# Northern Rivers Joint Organisation

## Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<b>Receipts:</b>			
Contributions from member councils		251,300	201,100
User charges and fees		16,863	32,775
Interest received		10,808	1,341
Grants		1,345,220	0
Other income (GST, Procurement rebate)		13,523	70,387
<b>Payments:</b>			
Employees and suppliers		(532)	(85,202)
Non-employee cash outflows		(982,126)	(545,578)
Other (GST)		(2,564)	
<b>Net cash flows from operating activities</b>		<u>652,492</u>	<u>(325,177)</u>
<b>Net change in cash and cash equivalents</b>		<u>652,492</u>	<u>(325,178)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>836,701</u>	<u>1,161,879</u>
<b>Cash and cash equivalents at end of year</b>	C1-1	<u>1,489,193</u>	<u>836,701</u>

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

# Northern Rivers Joint Organisation

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# A. About the Joint Organisation and these financial statements

## A1. Basis of preparation

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These financial statements were authorised for issue by the Board of the Joint Organisation on dd/mm/2023. 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 – Simplified Disclosures, the *Local Government Act 1993* (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. Northern Rivers Joint Organisation (NRJO) 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 NRJO*

Not applicable.

*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 NRJO'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 NRJO and that are believed to be reasonable under the circumstances.

*Accounting estimates and assumptions*

NRJO 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:

None are applicable at this stage.

Significant judgements in applying NRJO accounting policies

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.



## B. Financial Performance

### B1. Sources of Income

#### B1-1 Member Council contributions

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	2023	2022
	\$	\$
Ballina Shire Council	43,265	34,200
Byron Shire Council	38,600	30,100
Kyogle Council	25,250	20,500
Lismore City Council	42,300	34,600
Richmond Valley Council	32,435	26,000
Tweed Shire Council	69,450	55,700
<b>Total member council contributions</b>	<b>251,300</b>	<b>201,100</b>

#### Accounting policy

Contributions by member councils are recognised as revenue at the point in time 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 at its fair value).

The methodology for determining the contribution 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 other functions of enhancing strategic capacity and direct service delivery.

#### B1-2 User charges and fees

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My Road Info	16,863	33,725
<b>Total user charges and fees</b>	<b>16,863</b>	<b>33,725</b>

#### Accounting policy

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

## B1. Sources of Income

### B1-3 Grants

	Operating		Capital	
	2023	2022	2023	2022
	\$	\$	\$	\$
Resilience NSW Disaster Dashboards Funding	6,750	50,850	-	-
Northern Rivers Reconstr. Corp (Indust. Lands)	20,000	-	-	-
Dept. of Premier and Cabinet (Northern NSW Flood Events)	550,000	-	-	-
Dept. of Regional NSW (Rail Trail)	384,892	-	-	-
Dept. Of Communities and Justice (DRRF)	296,275	-	-	-
Office of Energy & Climate Change (Net Zero)	93,000	-	-	-
<b>Total grants</b>	<b>1,350,917</b>	<b>50,850</b>	<b>-</b>	<b>-</b>
<b>Comprising:</b>				
- Commonwealth funding	-	-	-	-
- State funding	1,350,917	50,850	-	-
- Other funding	-	-	-	-
	<b>1,350,917</b>	<b>50,850</b>	<b>-</b>	<b>-</b>
<b>Timing of revenue recognition</b>				
Grants recognised over time	-	-	-	-
Grants recognised at a point in time	1,350,917	50,850	-	-
<b>Total grants</b>	<b>1,350,917</b>	<b>50,850</b>	<b>-</b>	<b>-</b>

#### Accounting policy

##### Grants - enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include performance obligations such as dashboard design and build, dashboard hosting and media campaign.

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 of costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

##### Capital grants

Capital grants received under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under NRJO's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

##### Other grants

Assets (e.g. cash) received from other grants are recognised at fair value when the asset is received. NRJO 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

#### **B1-4 Interest and investment income**

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	<b>2023</b>	2022
	\$	\$
Interest on financial assets measured at amortised cost	<b>10,808</b>	1,341
<b>Total interest and investment income</b>	<b>10,808</b>	1,341

#### **Accounting policy**

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

#### **B1-5 Other income**

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	<b>2023</b>	2022
	\$	\$
Procurement Rebates	<b>44,129</b>	47,182
Workers Compensation Adjustment Income	<b>1,130</b>	-
Support Services Income - Public Works	<b>6,272</b>	-
Funding Contributions	<b>25,000</b>	-
<b>Total other income</b>	<b>76,532</b>	47,182

#### **Accounting policy**

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

## B2. Costs of providing services

### B2-1 Employee benefits and on costs

---

	2023	2022
	\$	\$
Salaries and wages	-	66,369
Travel	281	741
Employee leave entitlements	-	3,713
Superannuation	176	5,941
Workers' compensation insurance	75	1,951
Other	-	1,817
<b>Total employee costs expensed</b>	<b>532</b>	<b>80,532</b>

#### Accounting policy

##### Employee benefit expenses

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

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.

### B2-2 Administrative expenses

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	2023	2022
	\$	\$
Contractor and consultancy costs	188,585	102,806
Board costs	11,716	9,818
Catering	452	821
Office expenses	4,575	2,789
Training and professional development	4,000	12,000
<b>Total administration expenses</b>	<b>209,329</b>	<b>128,234</b>

#### Accounting Policy

##### Administrative expenses

Administrative expenses are recorded on an accruals basis as NRJO receives the goods or services.

### B2-3 Project expenses

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	2023	2022
	\$	\$
Contractor and project contributions	861,419	393,834
<b>Total project expenses</b>	<b>861,419</b>	<b>393,834</b>

#### Accounting policy

##### Project expenses

Project expenses are recorded on an accruals basis as NRJO receives the goods or services.

## C. Financial Position

### C1. Assets we manage

#### C1-1 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	346,512	6,828
Deposits at call	1,142,681	829,873
	<u>1,489,193</u>	<u>836,701</u>

#### Restricted cash and cash equivalents

External restrictions	733,534	207,168
Unrestricted	755,659	629,533
	<u>1,489,193</u>	<u>836,701</u>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,489,193	836,701
<b>Balances as per Statement of Cash Flows</b>	<u>1,489,193</u>	<u>836,701</u>

#### Accounting policy

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

#### C1-2 Receivables

	2023	2022
	\$	\$
Trade debtors	88,319	1,045
GST receivable	18,576	3,903
<b>Total</b>	<u>106,895</u>	<u>4,948</u>
<b>Net receivables</b>	<u>106,895</u>	<u>4,948</u>

#### Accounting policy

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 receivables is assessed using the simplified expected credit loss model where lifetime credit losses are recorded on initial recognition. To measure the expected credit losses, debtors have been grouped based on shared credit risk characteristics and the days past due.

### C1-3 Contract assets and Contract cost assets

---

		2023	2022
		\$	\$
Contract assets		-	11,583
	(a)	<u>-</u>	<u>11,583</u>
<b>a. Contract assets</b>			
Resilience NSW Disaster Dashboards		-	11,583
		<u>-</u>	<u>11,583</u>

#### Accounting policy

##### Contract assets

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

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

Once an invoice or payment claim is raised or the relevant milestone is reached, the NRJO recognises a receivable.

### C3. Liabilities of the joint organisation

#### C3-1 Payables

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	2023	2022
	\$	\$
Trade payables	122,238	7,704
Accrued expenses	26,800	69,964
<b>Total payables</b>	<b>149,038</b>	<b>77,668</b>

#### Accounting policy

NRJO 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.

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

#### C3-2 Contract liabilities

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	2023	2022
	\$	\$
Funds received prior to performance obligation being satisfied (upfront payments) – AASB 15 (ii)	36,346	-
<b>Total contract liabilities</b>	<b>36,346</b>	<b>-</b>

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

#### Accounting policy

When an amount of consideration is received from a customer / fund provider prior to NRJO transferring a good or service to the customer, NRJO presents the funds which exceed revenue recognised as a contract liability.

## D. Risks and accounting uncertainties

### D1. Financial risk management

#### Risk management

NRJO's activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk. Financial risk management is carried out by the finance team under policies approved by the NRJO Board.

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

### D2. Contingencies

NRJO 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 NRJO's share of the net assets or liabilities reflects the NRJO'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 2023 may result in future liabilities or benefits as a result of past events that NRJO will be required to fund or share respectively.

## E. People and relationships

### E1. Related party disclosures

#### E1-1 Key management personnel

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

The aggregate amount of KMP compensation included in employee expenses is \$39,491 (2022: \$90,072)

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

There were no other transactions between NRJO and the KMP and their related parties (2022:nil).

#### E1-2 Other related parties

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There were no other transactions between NRJO and the KMP and their related parties (2022:nil).

### E2. Other relationships

#### E2-1 Audit fees

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	2023	2022
Auditors of NRJO – NSW Auditor-General:	\$	\$
Audit of financial statements	<b>17,800</b>	12,160
<b>Total fees paid or payable to the Auditor-General</b>	<b>17,800</b>	12,160

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## **F. Other matters**

### **F1. Events occurring after reporting date**

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

**End of the audited financial statements**