

Northern Rivers Joint Organisation

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Northern Rivers Joint Organisation

General purpose financial statements

for the year ended 30 June 2024

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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 239
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

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:

...8 November 2024.....

Cr Chris Cherry

Chairperson

08/11/ 2024



Phil Rudd
Executive Officer

08/11/ 2024



Cr Sharon Cadwallader

Deputy Chairperson

08/11/ 2024



Northern Rivers Joint Organisation

Statement of Income and Accumulated Surplus for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Income			
Member council contributions	B1-1	266,627	251,300
User charges and fees	B1-2	-	16,863
Grants provided for operating purposes	B1-3	457,892	1,350,917
Interest and investment income	B1-4	27,917	10,808
Other income	B1-5	67,874	76,532
Total income		820,310	1,706,420
Expenses			
Employee benefits and on-costs	B2-1	1,706	532
Administrative expenses	B2-2	180,545	209,329
Project expenses	B2-3	739,397	861,419
Other expenses	B2-4	103,304	-
Total expenses		1,024,952	1,071,280
Net result for the year		(204,642)	635,140
Accumulated surplus at 1 July		1,410,704	775,564
Accumulated surplus as at 30 June		1,206,062	1,410,704

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 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	970,675	1,489,193
Receivables	C1-2	275,983	106,895
Total current assets		1,246,658	1,596,088
Total assets		1,246,658	1,596,088
LIABILITIES			
Current liabilities			
Payables	C3-1	25,045	149,038
Contract liabilities	C3-2	15,551	36,346
Total current liabilities		40,596	185,384
Total liabilities		40,596	185,384
Net assets		1,206,062	1,410,704
EQUITY			
Accumulated surplus		1,206,062	1,410,704
Total equity		1,206,062	1,410,704

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 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts:			
Contributions from member councils		266,627	251,300
User charges and fees		-	16,863
Interest received		27,917	10,808
Grants		333,793	1,345,220
Other income (GST, Procurement rebate)		67,875	13,523
Payments:			
Employees and suppliers		(1,706)	(532)
Non-employee cash outflows		(1,070,672)	(982,126)
Other (GST)		(142,351)	(2,564)
Net cash flows from operating activities		(518,517)	652,492
Net change in cash and cash equivalents		(518,517)	652,492
Cash and cash equivalents at beginning of year		1,489,192	836,701
Cash and cash equivalents at end of year	C1-1	970,675	1,489,193

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

These financial statements were authorised for issue by the Board of the Joint Organisation on 8 November 2024. The Board has the power to amend and reissue these financial statements.

The material accounting policy information related to 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

AASB 2021-6 *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*

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. NRJO has not identified any 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.

Significant judgements in applying NRJO accounting policies:

Revenue recognition policies - refer Note B1-1, B1-2 and B1-3

B. Financial Performance

B1. Sources of Income

B1-1 Member Council contributions

	2024	2023
	\$	\$
Ballina Shire Council	38,449	43,265
Byron Shire Council	34,164	38,600
Kyogle Council	22,816	25,250
Lismore City Council	37,673	42,300
Richmond Valley Council	28,863	32,435
Tweed Shire Council	62,815	69,450
Clarence Valley Council	41,847	-
Total member council contributions	266,627	251,300

Material accounting policy information

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

My Road Info	-	16,863
Total user charges and fees	-	16,863

Material accounting policy information

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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Resilience NSW Disaster Dashboards Funding	-	6,750	-	-
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)	96,223	384,892	-	-
Dept. Of Communities and Justice (DRRF)	118,510	296,275	-	-
Office of Energy & Climate Change (Net Zero)	84,679	93,000	-	-
Office of Energy & Climate Change (Net Zero 2.0)	158,480	-	-	-
Total grants	457,892	1,350,917	-	-
Comprising:				
– Commonwealth funding	-	-	-	-
– State funding	457,892	1,350,917	-	-
– Other funding	-	-	-	-
	457,892	1,350,917	-	-
Timing of revenue recognition				
Grants recognised over time	-	-	-	-
Grants recognised at a point in time	457,892	1,350,917	-	-
Total grants	457,892	1,350,917	-	-

Material accounting policy information

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

	2024	2023
	\$	\$
Interest on financial assets measured at amortised cost	27,917	10,808
Total interest and investment income	27,917	10,808

B1-5 Other income

	2024	2023
	\$	\$
Procurement Rebates	67,874	44,129
Workers Compensation Adjustment Income	-	1,130
Support Services Income - Public Works	-	6,272
Funding Contributions	-	25,000
Total other income	67,874	76,532

B2. Costs of providing services

B2-1 Employee benefits and on costs

	2024	2023
	\$	\$
Travel	1,406	281
Superannuation	300	176
Workers' compensation insurance	-	75
Total employee costs expensed	1,706	532

B2-2 Administrative expenses

	2024	2023
	\$	\$
Contractor and consultancy costs	161,812	188,585
Board costs	10,005	11,716
Catering	4,607	452
Office expenses	3,940	4,575
Training and professional development	182	4,000
Total administration expenses	180,545	209,329

B2-3 Project expenses

	2024	2023
	\$	\$
Contractor and project contributions	739,397	861,419
Total project expenses	739,397	861,419

B2-4 Other expenses

	2024	2023
	\$	\$
Return of unspent grant funding	103,304	-
Total other expenses	103,304	-

C. Financial Position

C1. Assets we manage

C1-1 Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	85,077	346,512
Deposits at call	885,598	1,142,681
	<u>970,675</u>	<u>1,489,193</u>
Restricted cash and cash equivalents		
External restrictions	329,841	733,534
Unrestricted	640,834	755,659
	<u>970,675</u>	<u>1,489,193</u>
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	970,675	1,489,193
Balances as per Statement of Cash Flows	<u>970,675</u>	<u>1,489,193</u>

C1-2 Receivables

	2024	2023
	\$	\$
Trade debtors	275,983	88,319
GST receivable	-	18,576
Total	<u>275,983</u>	<u>106,895</u>
Net receivables	<u>275,983</u>	<u>106,895</u>

Material accounting policy information

Receivables are generally due for settlement within 30 days.

NRJO did not recognise a provision for expected credit losses because of confidence in collections and the financial health/stability of customers/debtors.

C3. Liabilities of the joint organisation

C3-1 Payables

	2024	2023
	\$	\$
Trade payables	4,027	122,238
Accrued expenses	13,440	26,800
GST payable	7,578	-
Total payables	25,045	149,038

Material accounting policy information

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

	2024	2023
	\$	\$
Funds received prior to performance obligation being satisfied (upfront payments) – AASB 15 (ii)	15,551	36,346
Total contract liabilities	15,551	36,346

- (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.

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 2024 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

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 \$33,890 (2023: \$39,491)

Other transactions with KMP and their related parties

There were no other transactions between NRJO and the KMP and their related parties (2023:nil).

E1-2 Other related parties

There were no other transactions between NRJO and the KMP and their related parties (2023:nil).

E2. Other relationships

E2-1 Audit fees

	2024	2023
Auditors of NRJO – NSW Auditor-General:	\$	\$
Audit of financial statements	13,440	17,800
Total fees paid or payable to the Auditor-General	13,440	17,800

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



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Northern Rivers Joint Organisation

To the Board of the Northern Rivers Joint Organisation

Opinion

I have audited the accompanying financial statements of Northern Rivers Joint Organisation (the Joint Organisation), which comprise the Statement by Members of the Board and Management, the Statement of Income and Accumulated Surplus for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, and Statement of Cash Flows for the year ended 30 June 2024 and notes comprising a summary of material accounting policy information and other explanatory information.

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 prepared, 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures
- 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 (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 joint organisations
- 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.

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 – Simplified Disclosures and the *Local Government Act 1993*, and for such internal control as the Board determines 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.

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. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Quentin Wong
Delegate of the Auditor-General for New South Wales

13 November 2024
SYDNEY



Councillor Chris Cherry
Chairperson
Northern Rivers Joint Organisation
PO Box 239
LISMORE NSW 2480

Contact: Quentin Wong
Phone no: 02 9275 7454
Our ref: R008-2124742775-7628

13 November 2024

Dear Chairperson

**Report on the Conduct of the Audit
for the year ended 30 June 2024
Northern Rivers Joint Organisation**

I have audited the general purpose financial statements (GPFS) of the Northern Rivers Joint Organisation (the Joint Organisation) 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 Joint Organisation's GPFS.

This Report on the Conduct of the Audit (the Report) for the Joint Organisation 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.

PERFORMANCE

Net result

The Joint Organisation's net result for the year ended 30 June 2024 was a loss of \$(204,642).

The Joint Organisation's income for the year ended 30 June 2024 of \$821,310 consisted mainly of:

- operating grants of \$457,892
- income from member council contributions of \$266,627.

The Joint Organisation's total expenses for the year ended 30 June 2024 of \$1,024,952 consisted mainly of:

- project expenses of \$739,397
- administrative expenses of \$180,545.

Financial position

At 30 June 2024, the Joint Organisation's:

- total assets of \$1,246,658 consisted of cash and cash equivalents of \$970,675 and receivables of \$275,983.
- total liabilities of \$40,596 consisted mainly of payables of \$25,045.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Joint Organisation's accounting records or financial statements. The Joint Organisation'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.

The Joint Organisation's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.



Quentin Wong
Delegate of the Auditor-General for New South Wales