



GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

Mid North Coast Joint Organisation

General purpose financial statements for the year ended 30 June 2021

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

Mid North Coast Joint Organisation
17 Burrawan Street
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

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)*

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 - 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 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.

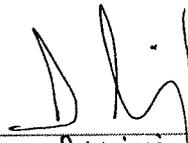
We are not aware of any matter that would render this report false or misleading in any way.

Signed in accordance with a resolution of the Board of Mid North Coast Joint Organisation made on 19 October 2021



Name: Liz Campbell
Chairperson

19/10/21



Name: Dominic King
Voting Representative Board Member

19/10/21



Liz Jeremy
Executive Officer

19/10/21

Mid North Coast Joint Organisation

Statement of Income and Accumulated Surplus for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income:			
Member council contributions	B1-1	203,000	185,000
Grants provided for operating purposes	B1-2	634,263	317,131
Interest and investment revenue	B1-3	46	240
Other Income	B1-4	8,663	5,661
Total income		<u>845,972</u>	<u>508,032</u>
Expenses			
Employee benefits and on-costs		101,762	188,860
Administrative Expenses	B2-1	282,611	71,152
Total expenses		<u>384,373</u>	<u>260,012</u>
Net operating result for the year		<u>461,599</u>	<u>248,020</u>
Net result for the year		<u>461,599</u>	<u>248,020</u>
Accumulated surplus at 1 July		562,298	314,278
Accumulated surplus at 30 June		<u>1,023,897</u>	<u>562,298</u>

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

Mid North Coast Joint Organisation

Statement of Financial Position as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	1,095,734	539,681
Receivables	C1-2	-	57,230
Total current assets		1,095,734	596,911
Non-current assets			
Total non-current assets		-	-
Total assets		1,095,734	596,911
LIABILITIES			
Current liabilities			
Payables	C3-1	51,358	15,703
Employee benefit provisions	C3-2	20,479	18,910
Total current liabilities		71,837	34,613
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		71,837	34,613
Net assets		1,023,897	562,298
EQUITY			
Accumulated Surplus		1,023,897	562,298
Total equity		1,023,897	562,298

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

Mid North Coast Joint Organisation

Statement of Cash Flows for the year ended 30 June 2021

	2021	2020
Notes	\$	\$
Cash flows from operating activities		
Receipts:		
Contributions from member councils	253,000	135,000
User charges and fees	-	-
Grants	634,263	317,131
Interest received	46	240
Other income	8,663	5,661
Payments:		
Employees and services	(339,919)	(255,036)
Borrowing costs	-	-
Net cash provided from (or used) in operating activities	556,053	202,996
Net increase/(decrease) in cash and cash equivalents	556,053	202,996
Cash and cash equivalents at beginning of reporting period	539,681	336,685
Cash and cash equivalents at end of reporting period	1,095,734	539,681

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

Mid North Coast 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 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. 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 thousand dollar.

a. New and amended standards adopted by Mid North Coast Joint Organisation

The Mid North Coast Joint Organisation has early adopted AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the adoption of this standard has not affected the reported financial position or performance of the Mid North Coast Joint organisation, however certain disclosures have been added, amended or omitted.

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:

employee benefit provisions - refer Note C3-2

Significant judgements in applying the JO 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**

	2021	2020
	\$	\$
Port Macquarie Hastings Council	121,000	115,000
Kempsey Shire Council	51,000	45,000
Bellingen Shire Council	31,000	25,000
Total member council contributions	203,000	185,000

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 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.

B. Financial Performance**B1-2 Grants**

	Operating		Capital	
	2021	2020	2021	2020
	\$	\$	\$	\$
Resilience NSW - Administration Costs	12,918	-	-	-
Office of Local Government (OLG) joint organisation capacity building funding	150,000	150,000	-	-
Office of Environment & Heritage - Saving our Species - Koala Recovery Partnership	150,000	150,000	-	-
Office of Local Government - Increasing Resilience to Climate Change	58,400	-	-	-
Office of Local Government - BCRRF Simtable for Community Empowerment	157,945	-	-	-
Office of Environment & Heritage - FABCON Grant	-	17,131	-	-
Koala Hospital Port Macquarie	105,000	-	-	-
Total grants	634,263	317,131	-	-
Comprising:				
- Commonwealth funding				
- State funding	634,263	317,131	-	-
- Other funding	-	-	-	-
	634,263	317,131	-	-
Timing of revenue recognition				
Grants recognised over time	-	-		
Grants recognised at a point in time	634,263	317,131	-	-
Total grants	634,263	317,131	-	-

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 obligation is transferred.

The performance obligations are varied according to the agreement but include reaching project milestones, completion of grant acquittals, whether the grant will be refunded if performance obligations are not met.

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 the 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 are deemed to be the most appropriate methods to reflect the transfer of the 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 the Mid North Coast Joint Organisation's control on completion are recognised as revenue 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 acquisition of assets, the revenue is recognised when the asset is acquired and controlled by the Mid North Coast Joint Organisation.

Other grants

Assets (e.g cash) received from other grants are recognised at fair value when the asset is received. The Mid North Coast Joint Organisation 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.

B. Financial Performance**B1-3 Interest and investment income**

	2021 \$	2020 \$
Interest in financial assets measured at amortised cost	46	240
Total interest and investment income	46	240

Accounting policy

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

B1-4 Other income

	2021 \$	2020 \$
Contribution from Local Land Services - Koala Recovery Partnership	3,000	-
Other	5,663	5,661
Total other income	8,663	5,661

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the assets is de-recognised.

B2. Costs of providing services**B2-1 Administrative Expenses**

	2021	2020
	\$	\$
Contractor and consultancy costs		
- Project Manager Services	44,745	-
- Biodiversity Stewardship Project	68,692	-
- Koala Monitoring Program consultancy costs	116,373	-
- University Technology Sydney - Micromex Research- Community Survey	-	30,000
Advertising	440	2,290
Remuneration of auditors	10,000	6,660
Catering	-	1,315
Office Expenses	11,412	7,829
Other	13,910	15,887
Sitting Fees	250	3,500
Travelling	32	3,671
Return of Office of Environment & Heritage - FABCON Grant	16,757	-
Total administrative expenses	282,611	71,152

Accounting policy**Employee benefit expenses**

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

Contributions to define contribution plans are recognised as an expensed as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction of the future payments is available

Administrative expenses

Administrative expenses are recorded on an accruals basis as the Mid North Coast Joint Organisation receives the goods or services.

C. Financial position**C1. Assets we manage****C1-1 Cash and cash equivalents**

	2021 \$	2020 \$
Cash at bank and on hand	1,095,734	539,681
	1,095,734	539,681
Restricted cash and cash equivalents		
External restrictions	679,579	276,520
Unrestricted	416,155	263,161
	1,095,734	539,681
Restricted cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	1,095,734	539,681
Balances as per Statement of Cash Flows	1,095,734	539,681

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. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Receivables

	2021	2020
	\$	\$
Receivables from member councils	-	55,000
Other (GST receivable)	-	2,065
Other	-	165
Total	-	57,230
Net Receivables	-	57,230

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

The Mid North Coast 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, debtors have been grouped based on shared credit risk characteristics and the days past due.

The Joint Organisation has not recognised a provision for impairment at 30 June 2021 on the basis that the Mid North Coast Joint Organisation has no history of credit losses being incurred.

C2. Leasing activities

C2-1 Joint Organisation as a lessee

(a) Mid North Coast Joint Organisation as a lessee

The Mid North Coast Joint Organisation has one lease for a vehicle. Information relating to the lease in place and associated balances and transactions is provided below.

The JO has been provided with a vehicle for use in its operations. There is no official lease and the lessor can request the return of the vehicle at any time.

This lease is considered a short-term lease and as such is exempt from AASB 16 reporting.

Accounting policy

At inception of a contract, the Mid North Coast Joint Organisation assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

The Mid North Coast Joint Organisation has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, the Mid North Coast Joint Organisation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Mid North Coast Joint Organisation believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Mid North Coast Joint Organisation's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Mid North Coast Joint Organisation has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Mid North Coast Joint Organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

C3. Liabilities of the joint organisation**C3-1 Payables**

	2021 \$	2020 \$
Trade payables	26,823	796
Accrued expenses	24,535	14,907
Total payables	51,358	15,703

Accounting policy

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.

Trade payables represent liabilities for goods and services provided to the Mid North Coast Organisation 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 Employee benefits

	2021		2020	
	Current	Non-Current	Current	Non-Current
	\$	\$	\$	\$
Employee benefits provisions				
Annual leave	3,265	-	4,790	-
Long service leave	17,214	-	14,120	-
Total employee benefit provisions	20,479	-	18,910	-
Current employee benefit provisions not expected to be settled within the next 12 months	-	-	7,113	-

Accounting policy*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 Mid North Coast Joint Organisation 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.

D. Risks and accounting uncertainties

D1. Financial risk management

Risk management

The Mid North Coast Joint Organisation'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 Mid North Coast Joint Organisation Board.

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

D2. Contingencies

The Mid North Coast Joint Organisation 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 Mid North Coast Joint Organisation's share of the net assets or liabilities reflects the 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 2021 may result in future liabilities or benefits as a result of past events that the JO 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 the Mid North Coast Joint Organisation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Mid North Coast Joint Organisation, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement and Other Comprehensive Income is \$44,995 (2020: \$79,511)

Other transactions with KMP and their related parties

There were no other transactions between the JO and the KMP and their related parties (2020:nil).

E1-2 Other related parties

There were no transactions between the JO and other related parties (2020:nil)

E2. Other relationships**E2-1 Audit fees**

	2021	2020
Auditors of the JO - NSW Auditor-General:		
Audit of financial statements	10,000	6,660
Total fees paid or payable to the Auditor-General	10,000	6,660

F. Other matters**F1. Commitments**

The Mid North Coast Joint Organisation does not have any commitments relating to the acquisition of property, plant and equipment that are not recognised in the financial statements as liabilities

F2. Events occurring after reporting date

There are no non-adjusting events that have occurred after the reporting date

Mid North Coast Joint Organisation

General Purpose Audit Reports

for the year ended 30 June 2021



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 Mid North Coast 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 2021, the Statement of Financial Position as at 30 June 2021, and Statement of Cash Flows for the year ended 30 June 2021 and notes comprising a summary of significant accounting policies 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 2021, 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).

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—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.



Gearoid Fitzgerald

Delegate of the Auditor-General for New South Wales

22 October 2021
SYDNEY



Liz Jeremy
Executive Officer
Mid North Coast Joint Organisation
c/- Port Macquarie-Hastings Council
PO Box 84
PORT MACQUARIE NSW 2444

Contact: Gearoid Fitzgerald
Phone no: 02 9275 7392
Our ref: D2122848/1867

22 October 2021

Dear Ms Jeremy

**Report on the Conduct of the Audit
for the year ended 30 June 2021
Mid North Coast Joint Organisation**

I have audited the general purpose financial statements (GPFS) of the Mid North Coast Joint Organisation (the Joint Organisation) for the year ended 30 June 2021 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 2021 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 operating result

The Joint Organisation's net operating result for the year ended 30 June 2021 was \$461,599.

The Joint Organisation's primary income source during the year was from operating and capital grants of \$634,263 which contributed to 75.0 per cent of the Joint Organisation's income from continuing operations of \$845,972. This included \$157,945 from NSW Government under the Bushfire Resilience and Recovery program, \$150,000 Capacity Building grant from the NSW Government, \$105,000 from Koala Conservation Australia (Koala Hospital) and a \$150,000 Koala Recovery Partnership conservation grant from the former Office of Environment & Heritage. The Joint Organisation also received \$203,000 of income from member council contributions.

The Joint Organisation's total operating expenses from continuing operations for the year ended 30 June 2021 was \$384,373 which consisted of employee benefits and on-costs of \$101,762 and administration expenses of \$282,611.

Financial position

At 30 June 2021, the Joint Organisation had total assets of \$1,095,734 and net assets of \$1,023,897. The Joint Organisation's asset balance consists entirely of cash and cash equivalents.

OTHER MATTERS

Impact of new accounting standards

AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2'

The Joint Organisation adopted the new accounting standard AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2' in its 2020–21 financial statements.

AASB 1060 sets out a new, separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 'Application of Tiers of Australian Accounting Standards'. AASB 1060 has been developed based on a new methodology and principles to determine the Tier 2 disclosures that are necessary for meeting user needs.

AASB 1060 reduces the reporting requirements of entities using the current Tier 2 reporting requirements for preparing general purpose financial statements.

The adoption of AASB 1060 has not affected the reported financial position or performance of the Joint Organisation, however certain disclosures have been added, amended or omitted.

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.



Gearoid Fitzgerald
Delegate of the Auditor-General for New South Wales

cc: Cr Liz Campbell, Chairperson
Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment