

CM14.1. AlburyCity 2023-24 Audited Financial Statements

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CONFIDENTIAL	No		
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Purpose of Report

The report presents AlburyCity's audited financial statements for the year ended 30 June 2024 and associated auditor reports for consideration by Council as required by the *Local Government Act 1993*.

Background

As required by Section 418 of the *Local Government Act 1993*, as soon as practicable after a council receives the auditor's reports, it must fix a date for the meeting at which is proposed to present its audited financial statements, together with the auditor's reports, to the public and it must give at least seven days public notice.

AlburyCity's audited financial statements include the General-Purpose Financial Statements, Special Purpose Financial Statements and Permissible Income Special Schedule.

The General-Purpose Financial Statements (refer Attachment 1) are the consolidated financial accounts of Albury City Council, comprising Council's general activities and the business activities it controls, including the Water Fund and Sewer Fund.

The Special Purpose Financial Statements (refer Attachment 2) summarises the financial results of Council's business activities, including the Water Fund, Sewer Fund, Albury Airport, Cemetery and Crematorium, Albury Entertainment Centre, Albury Waste Management Centre, and Banjora Child Care.

The Special Schedules (refer Attachment 3) include permissible income from general rates (audited) and the report on infrastructure assets (unaudited), as required by the *Local Government Code of Accounting Practice and Financial Reporting*.

AlburyCity's draft financial statements were presented to a meeting of the Audit, Risk and Improvement Committee (ARIC) on Wednesday 11 September 2024 for review; the Committee endorsed the proposed next steps towards the finalisation and audit of AlburyCity's 2023/24 Financial Statements. The audited financial statements and associated auditor reports were further considered at a special meeting of the Audit, Risk and Improvement Committee on Wednesday 23 October 2024. ARIC endorsed the lodgment of AlburyCity's audited 2023/24 financial statements with the Office of Local Government by 31 October 2024.

As required by the *Local Government Act 1993*, Council at its meeting on Monday, 28 October 2024 resolved to:

- a. Receive and note AlburyCity's Draft General Purpose and Special Purpose Financial Statements for the year ended 30 June 2024; and
- b. Authorise the Mayor, Deputy Mayor, Chief Executive Officer and AlburyCity's Responsible Accounting Officer to sign the Statement by Councillors and Management, in accordance with Section 413(2)(c) of the *Local Government Act 1993* and the *Local Government Code of Accounting Practice and Financial Reporting*, prior to the submission to the Office of Local Government by 31 October 2024.

Issues

Upon completion of the audit and signing of AlburyCity's year-end financial statements on 28 October 2024, and the signing of a management representation letter by AlburyCity's Chief Executive Officer and Responsible Accounting Officer, the NSW Audit Office issued their Report on the Conduct of the Audit and Audit Opinions, with respect to the General-Purpose Financial Statements, Special Purpose Financial Statements, and the Permissible Income Special Schedule.

The auditor's reports issued by the NSW Audit Office state that in their opinion:

- Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division);
- The financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division;
 - are consistent with the Council's accounting records; and
 - present fairly, in all material respects, the financial position of the Council 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.
- All information relevant to the conduct of the audit has been obtained; and
- No material deficiencies in the accounting records or financial statements have come to light during the audit.

AlburyCity's 2024 Financial Statements were lodged with the Office of Local Government on 31 October 2024 in accordance with the statutory requirements.

From a financial performance perspective overall, AlburyCity reported an operating deficit of \$11.5 million for accounting purposes for the 2023/24 financial year. Better than break-even operating results were achieved by the Water and Sewer Funds, whilst the General Fund reported an operating deficit of \$19.9 million.

The consolidated operating deficit for the year ended 30 June 2024 of \$11.5 million is \$797,000 greater than in the prior year, being mainly due to the General Fund operating result. The General Fund operating deficit of \$19.9 million is \$3 million greater than the prior year, which is mainly due to:

- \$2.4 million Financial Assistance Grants from the Federal Government - timing of receipt; and
- \$671,000 Sale of real estate inventory – timing of contracted settlements.

Risk

- **Business Risk** – The financial statements present Council’s financial performance and position for the 2023/24 financial year. Overall, AlburyCity’s financial position is satisfactory when compared to industry benchmarks. It is important that AlburyCity continues to be proactive in managing its budget to meet financial challenges that we will face in the future.
- **Corporate Risk** – The external audit will also provide assurance that the financial statements fairly represent Council’s financial position at year-end.
- **WHS and Public Risk** – No risks identified.
- **Environmental Risk** – No risks identified.
- **Delivery Program Risk** – No risks identified.

Engagement

As required by the *Local Government Act 1993*, public notice has been given at least seven days prior to the Council meeting on 25 November 2024, where AlburyCity’s audited financial statements and auditor reports are to be presented to Council. Any public submissions received will be presented for Council’s consideration.

AlburyCity’s General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules for 2024 are available for viewing on AlburyCity’s website.

Conclusion

Following the signing of AlburyCity’s Financial Statements, on 30 October 2024 the NSW Audit Office issued their Report on the Conduct of the Audit and Audit Opinions with respect to the General-Purpose Financial Statements, Special Purpose Financial Statements, and the Permissible Income Special Schedule.

The NSW Audit Office has issued an unmodified audit opinion stating that AlburyCity’s 2023/24 Financial Statements have been prepared, in all material respects, in accordance with the requirements of the *Local Government Act 1993*, are consistent with the Council’s accounting records and present fairly, in all material respects, the financial position of the Council 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.

AlburyCity’s 2024 Financial Statements were lodged with the Office of Local Government on 31 October 2024 in accordance with the statutory requirements.

Recommendation

That Council receives and notes AlburyCity’s audited 2023/24 Financial Statements and associated auditor’s reports issued by the NSW Audit Office.

Attachments

1. AlburyCity's 2023/24 General Purpose Financial Statements (DOC24/273176).
2. AlburyCity's 2023/24 Special Purpose Financial Statements (DOC24/273216).
3. AlburyCity's 2023/24 Special Schedules (DOC24/273217).