



EXTRAORDINARY COUNCIL MEETING

AGENDA

31 MARCH 2026

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that an **EXTRAORDINARY MEETING of ORANGE CITY COUNCIL** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, BYNG STREET, ORANGE** on **Tuesday, 31 March 2026** commencing at **6:00 PM**.

Scott Maunder
CHIEF EXECUTIVE OFFICER

For apologies, please contact Executive Support on 6393 8391.

AGENDA

EVACUATION PROCEDURE

In the event of an emergency, the building may be evacuated. You will be required to vacate the building by the rear entrance and gather at the breezeway between the Library and Art Gallery buildings. This is Council's designated emergency muster point.

Under no circumstances is anyone permitted to re-enter the building until the all clear has been given and the area deemed safe by authorised personnel.

In the event of an evacuation, a member of Council staff will assist any member of the public with a disability to vacate the building.

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1 INTRODUCTION

1.1 Apologies and Leave of Absence

1.2 Livestreaming and Recording

This Council Meeting is being livestreamed and recorded. By speaking at the Council Meeting you agree to being livestreamed and recorded. Please ensure that if and when you speak at this Council Meeting that you ensure you are respectful to others and use appropriate language at all times. Orange City Council accepts no liability for any defamatory or offensive remarks or gestures made during the course of this Council Meeting. A recording will be made for administrative purposes and will be available to Councillors.

1.3 Acknowledgement of Country

I would like to acknowledge the Traditional Custodians of the land on which we meet today, the people of the Wiradjuri Nation. I pay my respects to Elders past and present, and extend those respects to Aboriginal Peoples of Orange and surrounds, and Aboriginal people here with us today.

1.4 Declaration of pecuniary interests, significant non-pecuniary interests and less than significant non-pecuniary interests

The provisions of Chapter 14 of the Local Government Act, 1993 (the Act) regulate the way in which Councillors and designated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public role.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons given for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussion or voting on that matter, and requires that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code of Conduct also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

RECOMMENDATION

It is recommended that Councillors now disclose any conflicts of interest in matters under consideration by the Council at this meeting.

COUNCIL MEETING ADJOURNS FOR THE CONDUCT OF THE OPEN FORUM

COUNCIL MEETING RESUMES

2 GENERAL REPORTS

2.1 2024/2025 Financial Statements

RECORD NUMBER: 2026/552

AUTHOR: Jen Sharp, Director Corporate & Commercial Services

EXECUTIVE SUMMARY

Presented to Council are the 2024/2025 Annual Financial Statements. It is recommended that Council endorse the General Purpose and Special Purpose Financial Statements for signing and refer them to the NSW Audit Office for finalisation of the 2024/2025 Audit.

LINK TO DELIVERY/OPERATIONAL PLAN

The recommendation in this report relates to the Delivery/Operational Plan strategy “15.3 Ensure financial stability and support efficient ongoing operation”.

FINANCIAL IMPLICATIONS

Nil

POLICY AND GOVERNANCE IMPLICATIONS

Under Section 413 of the Local Government Act 1993, Council must prepare financial reports for each year and must refer them for audit as soon as practicable after the end of that year. Section 416(1) sets a maximum time limit of 4 months after the end of the year (30 November) for the audit to be conducted.

Extensions have been granted by the Office of Local Government (OLG) to submit the statements with the current revised due date being 1 April 2026.

Intentus Chartered Accountants, contracted by the Audit Office of NSW have completed the audit.

RECOMMENDATION

That Council resolves:

- 1 To authorise the Mayor, Chairperson of Finance Policy Committee, Chief Executive Officer and Director Corporate and Commercial Services to sign the Statement by Councillors and Management for the General Purpose and Special Purpose Financial Statements in order for Council’s Auditors to conduct the audit and upon completion of the audit, issue an audit statement in accordance with section 413(2)(c) of the Local Government Act 1993.
- 2 That Council refers the General Purpose and Special Purpose Financial Statements to the Audit Office of NSW for audit.
- 3 That Council’s Auditor be invited to present the Audit Report to Council.

FURTHER CONSIDERATIONS

The recommendation of this report has been assessed against Council’s key risk categories and the following comments are provided:

Service/Project Delivery	There were no service or project risks relating to the recommendations of this report identified.
Financial	There were no financial risks relating to the recommendations of this report identified.

2.1 2024/2025 Financial Statements

Reputation/Political	If the financial statements were not endorsed, there may be reputational risks impacted due to the fact that the financial statements have been audited and recommended for endorsement.
Environment	There were no environmental risks relating to the recommendations of this report identified.
Compliance	There were no compliance risks relating to the recommendations of this report identified.
People & WHS	There were no people or work health and safety risks relating to the recommendations of this report identified.
Information Technology/ Cyber Security	There were no information technology or cyber security risks relating to the recommendations of this report identified.

SUPPORTING INFORMATION

Attached are the draft Income Statements and Balance Sheets for both the General Purpose Financial Statements and Special Purpose Financial Statements. As part of the audit process, these financial reports may be subject to change.

The General Purpose Financial Statements and the Special Purpose Financial Statements for the year ending 30 June 2025 have both been prepared in accordance with:

- The Local Government Act 1993
- The Australian Accounting Standards and Professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting

ARIC endorsed the process of preparation at an extraordinary meeting on 25 March 2026 following presentation of draft General Purpose and Special Purpose Financial Statements and reports from the NSW Audit Office and Council’s External Auditor Intentus Chartered Accountants.

The Minutes of that meeting recommending signing of the Financial Statements are attached.

Council’s preliminary result is a consolidated Net Operating result of \$19.2m surplus and a Net Operating Result before grants and contribution provided for capital purposes is a \$27.1m deficit.

The Auditor has been invited to make a presentation to Council.

ATTACHMENTS

- 1 Minutes of the Extraordinary ARIC Meeting 25 March 2026, D26/39384 [↓](#)
- 2 DRAFT Financial Statements FY 2024/2025, D26/40018 [↓](#)

**MINUTES OF THE EXTRAORDINARY AUDIT RISK & IMPROVEMENT
COMMITTEE**

HELD IN VIA ONLINE MEETING PLATFORM TEAMS

ON 25 MARCH 2026

COMMENCING AT 8:30 AM

1 INTRODUCTION**ATTENDANCE**

Voting Members: Mr R Lagaida PSM (Independent Chairperson), Mr L von Steiglitz (Independent Member), Ms Emma Fountain (Independent Member)

Non-Voting Councillor Members: Cr F Kinghorne, Cr S Peterson

Non-Voting Council Management: Chief Executive Officer, Director Corporate & Commercial Services, Manager Corporate Governance

Invited: External Audit: NSW Audit Office (Karen Taylor) & Intentus (Katy Henry) Risk Lead.

The Committee discussed the process and status of the 2024/2025 financial statements.

The NSW Audit Office (Karen Taylor) and External Auditor, Intentus (Katy Henry) joined the meeting with the time being 8.37am

1.1 APOLOGIES

Nil.

1.2 ACKNOWLEDGEMENT OF COUNTRY

The Chairperson conducted an Acknowledgement of Country.

**1.3 DECLARATION OF PECUNIARY INTERESTS, SIGNIFICANT NON-PECUNIARY
INTERESTS AND LESS THAN SIGNIFICANT NON-PECUNIARY INTERESTS**

Nil.

2 GENERAL REPORTS**2.2 2024/2025 DRAFT AUDIT ENGAGEMENT CLOSING REPORT**

The NSW Audit Office and External Auditor Intentus briefed the ARIC on the Draft Audit Engagement Closing Report and the audit process for 2024/2025 Financial Statements.

The Committee had detailed discussion on the draft report, queries and answers were considered.

RECOMMENDATION**Mr R Lagaida/Mr L von Stieglitz**

That the Committee note the 2024/2025 Draft Audit Engagement Closing Report as circulated by the Chairperson out of session and the discussion queries and answers relating to that report.

2.1 DRAFT 2024/2025 ANNUAL FINANCIAL STATEMENTS

TRIM REFERENCE: 2026/497

The NSW Audit Office and External Auditor Intentus briefed the ARIC on the Draft 2024/2025 Financial Statements.

The Committee had detailed discussions on the Draft Financial Statements with queries considered and answered by the Auditors and Executive.

RECOMMENDATION**Mr R Lagaida/Mr L von Stieglitz**

1. That the information contained in the 2024/2025 Draft Financial Statements report on be acknowledged.
2. That the ARIC endorse the 2024/2025 Draft Financial Statements for Council signing noting minor adjustments are to be undertaken.

Member Emma Fountain left the meeting with the time being 9.30am

THE MEETING CLOSED AT 9.35AM.

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Orange City Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2025

A proud, vibrant community that embraces, fosters and supports natural, social, cultural and economic diversity

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Orange City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

*A proud, vibrant community that embraces, fosters and
supports natural, social, cultural and economic diversity*



Orange City Council

General Purpose Financial Statements for the year ended 30 June 2025

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Overview

Orange City Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

135 Byng Street
ORANGE NSW 2800

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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.orange.nsw.gov.au.

Orange City Council

General Purpose Financial Statements for the year ended 30 June 2025

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993*

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

- the *Local Government Act 1993* and the regulations made thereunder
- the Australian Accounting Standards issued by the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 31 March 2026.

Cr Tony Mileto
Mayor
31 March 2026

Cr Steven Peterson
Councillor
31 March 2026

Scott Maunder
Chief Executive Officer
31 March 2026

Jen Sharp
Director - Corporate & Commercial Services
31 March 2026

Orange City Council | Income Statement | for the year ended 30 June 2025

Orange City Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Income from continuing operations				
57,739		B2-1	67,078	65,790
43,062		B2-2	34,085	33,337
8,040		B2-3	7,741	7,430
12,906		B2-4	8,197	15,022
43,657		B2-4	46,279	50,222
9,906		B2-5	13,164	11,737
-		B2-6	2,061	1,987
1,667		B4-1	-	-
<u>176,977</u>			<u>178,605</u>	<u>185,525</u>
Expenses from continuing operations				
51,088		B3-1	53,589	50,149
40,674		B3-2	45,721	47,465
1,334		B3-3	682	1,790
8,482		B3-5	1,695	3,242
-		B4-1	25,636	20,481
<u>101,578</u>			<u>127,323</u>	<u>123,127</u>
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets				
<u>75,399</u>			<u>51,282</u>	<u>62,398</u>
24,370		B3-4	32,094	25,056
<u>51,029</u>			<u>19,188</u>	<u>37,342</u>
<u>51,029</u>			<u>19,188</u>	<u>37,342</u>
Net operating result for the year attributable to Council				
<u>7,372</u>			<u>(27,091)</u>	<u>(12,880)</u>
Net operating result for the year before grants and contributions provided for capital purposes				

The above Income Statement should be read in conjunction with the accompanying notes.

Orange City Council | Statement of Comprehensive Income | for the year ended 30 June 2025

Orange City Council

 Statement of Comprehensive Income
 for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Net operating result for the year – from Income Statement		19,188	37,342
Other comprehensive income:			
Amounts which will not be reclassified subsequent to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	(19,102)	52,616
Total items which will not be reclassified subsequent to operating result		(19,102)	52,616
Total other comprehensive income for the year		(19,102)	52,616
Total comprehensive income for the year attributable to Council		86	89,958

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Orange City Council | Statement of Financial Position | as at 30 June 2025

Orange City Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	30,847	22,819
Investments	C1-2	74,000	87,000
Receivables	C1-4	22,442	21,213
Inventories	C1-5	4,746	2,258
Contract assets and contract cost assets	C1-6	2,885	4,513
Other		698	193
Total current assets		135,618	137,996
Non-current assets			
Investments	C1-2	151,493	138,368
Inventories	C1-5	5,754	7,416
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,513,456	1,519,569
Right of use assets	C2-1	15	63
Total non-current assets		1,670,718	1,665,416
Total assets		1,806,336	1,803,412
LIABILITIES			
Current liabilities			
Payables	C3-1	9,535	10,274
Income received in advance	C3-1	1,690	902
Contract liabilities	C3-2	10,903	10,387
Lease liabilities	C2-1	97	26
Borrowings	C3-3	7,585	4,812
Employee benefit provisions	C3-4	9,275	8,789
Total current liabilities		39,085	35,190
Non-current liabilities			
Lease liabilities	C2-1	-	89
Borrowings	C3-3	7,199	9,784
Employee benefit provisions	C3-4	1,052	1,018
Provisions	C3-5	3,756	2,173
Total non-current liabilities		12,007	13,064
Total liabilities		51,092	48,254
Net assets		1,755,244	1,755,158
EQUITY			
Accumulated surplus	C4-1	973,422	925,529
IPPE revaluation surplus	C4-1	781,822	829,629
Total equity		1,755,244	1,755,158

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

Orange City Council | Statement of Changes in Equity | for the year ended 30 June 2025

Orange City Council

 Statement of Changes in Equity
 for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000							
Opening balance at 1 July		925,529	829,629	1,755,158	864,992	800,208	1,665,200
Net operating result for the year		19,188	–	19,188	37,342	–	37,342
Other comprehensive income							
Gain (loss) on revaluation of IPP&E	C1-7	–	(19,102)	(19,102)	–	52,616	52,616
Other comprehensive income		–	(19,102)	(19,102)	–	52,616	52,616
Total comprehensive income		19,188	(19,102)	86	37,342	52,616	89,958
Transfers between equity items		28,705	(28,705)	–	23,195	(23,195)	–
Closing balance at 30 June		973,422	781,822	1,755,244	925,529	829,629	1,755,158

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Orange City Council | Statement of Cash Flows | for the year ended 30 June 2025

Orange City Council
Statement of Cash Flows
for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
<i>Receipts:</i>				
57,739	Rates and annual charges		66,803	64,624
43,062	User charges and fees		35,454	34,517
9,906	Interest received		12,006	9,787
56,563	Grants and contributions		43,857	33,942
-	Bonds, deposits and retentions received		231	134
-	Other		19,852	20,364
<i>Payments:</i>				
(51,088)	Payments to employees		(53,096)	(48,594)
(49,156)	Payments for materials and services		(57,103)	(58,237)
(1,334)	Borrowing costs		(669)	(1,703)
-	Other		(792)	(2,195)
65,692	Net cash flows from operating activities	G1-1	66,543	52,639
Cash flows from investing activities				
<i>Receipts:</i>				
84,250	Redemption of term deposits		94,040	85,703
2,150	Sale of real estate assets		-	4,057
1,650	Proceeds from sale of IPPE		4,256	1,028
-	Deferred debtors receipts		-	281
<i>Payments:</i>				
(32,250)	Purchase of investments		(33,620)	(29,813)
(64,101)	Acquisition of term deposits		(60,464)	(58,390)
(54,121)	Payments for IPPE		(62,230)	(50,997)
(2,100)	Purchase of real estate assets		(667)	-
(64,522)	Net cash flows from investing activities		(58,685)	(48,131)
Cash flows from financing activities				
<i>Receipts:</i>				
-	Proceeds from borrowings		5,000	-
<i>Payments:</i>				
(3,125)	Repayment of borrowings		(4,812)	(4,955)
(48)	Principal component of lease payments		(18)	(53)
(3,173)	Net cash flows from financing activities		170	(5,008)
(2,003)	Net change in cash and cash equivalents		8,028	(500)
22,819	Cash and cash equivalents at beginning of year		22,819	23,319
20,816	Cash and cash equivalents at end of year	C1-1	30,847	22,819

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

Orange City Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 31 March 2026. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment.

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

Critical accounting estimates and assumptions

Council 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:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Water service
- Sewerage service

A1-1 Basis of preparation (continued)

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property not subject to Council's control have not been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2025.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025.

The following new standard is effective for the first time at 30 June 2025:

- **AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.**

There was not a significant impact on the Councils' reported financial position.

Orange City Council | Notes to the Financial Statements 30 June 2025

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Collaborate	64,982	56,791	35,422	25,350	29,560	31,441	6,288	9,232	527,342	402,539
Live	34,309	26,636	46,696	36,765	(12,387)	(10,129)	16,895	14,662	210,717	160,847
Prosper	18,058	10,000	15,240	17,285	2,818	(7,285)	5,062	3,239	96,782	73,877
Preserve	61,256	92,098	62,059	68,783	(803)	23,315	26,231	38,111	971,495	1,166,149
Total functions and activities	178,605	185,525	159,417	148,183	19,188	37,342	54,476	65,244	1,806,336	1,803,412

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B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Collaborate

The Orange community will embrace and support strong, accountable leadership to ensure effective, long-term, inclusive planning and decision making within the region. Functional areas - governance, finance, people and culture, communications, information technology and executive management.

Live

The Orange community will support and enhance a healthy, safe and liveable City with a range of recreational, cultural and community services to cater for a diverse population. Functional areas - parks and sportsgrounds management, aged and disability services, childrens' services, theatre and function centre management, library services, art gallery and museum, aquatic centre management.

Prosper

The Orange community will plan and grow an innovative, diverse and balanced economy while protecting the character of the City and region. Functional areas - land development, Colour City Caravan Park, airport and, tourism and visitor services.

Preserve

The Orange community will pursue the balance of growth and development with the protection and enhancement of the built and natural environment while recognising climate impacts and the diverse needs of the urban, village and rural communities. Functional areas - roads and traffic management, building services, Waste services, water supply management and sewerage operations.

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B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	29,715	27,907
Farmland	816	783
Business	9,482	9,045
Less: pensioner rebates (mandatory)	(294)	(298)
Less: pensioner rebates (Council policy)	(506)	(506)
Pensioner rate subsidies received	294	298
Total ordinary rates	39,507	37,229
Special rates		
Town improvement	804	772
Total special rates	804	772
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	10,401	9,859
Water supply services	6,429	8,633
Sewerage services	10,412	9,776
Less: pensioner rebates (mandatory)	(322)	(329)
Less: pensioner rebates (Council policy)	(476)	(480)
Annual charges levied	26,444	27,459
Pensioner annual charges subsidies received:		
– Water	124	126
– Sewerage	123	126
– Domestic waste management	76	78
Total annual charges	26,767	27,789
Total rates and annual charges	67,078	65,790

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	2025	2024
User charges		
Water supply services	11,375	10,372
Sewerage services	2,722	2,592
Waste management services (non-domestic)	3,252	3,104
Stormwater levy	453	450
Total user charges	17,802	16,518
Fees		
(i) Fees and charges – statutory and regulatory functions		
Private works – section 67	469	1,170
Section 10.7 certificates (EP&A Act)	114	117
Section 603 certificates	113	96
Other	109	117
Building approvals	453	371
Companion animals	53	120
Development assessments	614	675
Total fees	1,925	2,666
(ii) Fees and charges – other		
Aerodrome	2,077	1,975
Aged care	375	335
Caravan park	805	715
Cemeteries	419	418
Child care	5,728	5,805
Transport for NSW works (state roads not controlled by Council)	104	60
Aquatic centre	1,992	1,746
Carparks	885	781
Development contribution administration	226	307
Drainage service diagrams	128	137
Function centre	52	34
Library	17	14
Parks / sportsgrounds	103	83
Showground	37	41
Other	55	46
Theatre	1,355	1,656
Total fees	14,358	14,153
Total other user charges and fees	16,283	16,819
Total user charges and fees	34,085	33,337
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	1,452	1,371
User charges and fees recognised at a point in time	32,633	31,966
Total user charges and fees	34,085	33,337

Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenues

\$ '000	2025	2024
Rental income – other council properties	26	–
Legal fees recovery – rates and charges (extra charges)	143	2
Legal fees recovery – other	4	–
Diesel rebate	68	85
Insurance claims recoveries	207	75
Aged and disability services	1,620	1,567
Aquatic centre	613	582
Carpark management	102	88
Enterprise growth and development	–	374
Environmental administration	61	72
Function centre	147	126
Gallery	1,307	53
Library	74	7
Parks / sportsgrounds	25	40
Private works	46	54
Road safety program	97	96
Roads	80	59
Theatre	222	207
Tourism	230	194
Waste	872	483
Water supply	4	792
Contributions - Central West Libraries	1,299	1,221
Traineeship subsidy	65	447
Other	429	806
Total other revenue	7,741	7,430
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	7,741	7,430
Total other revenue	7,741	7,430

Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

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

Orange City Council | Notes to the Financial Statements 30 June 2025

B2-4 Grants and contributions

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance	728	243	-	-
Financial assistance – local roads component	244	82	-	-
Payment in advance - future year allocation				
Financial assistance – general component	2,400	3,865	-	-
Financial assistance – local roads component	830	1,336	-	-
Amount recognised as income during current year	4,202	5,526	-	-
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Aged care	1,795	1,880	263	-
Airport	-	-	41	109
Bushfire and emergency services	-	-	-	19
Child care	467	459	-	-
Community development	92	141	105	-
Economic development	62	1,211	380	177
Heritage and cultural	13	13	-	-
LCLI interest rate subsidy	115	36	-	-
LIRS subsidy	134	15	-	-
Migrant services	3	150	10	-
Noxious weeds	-	48	-	-
Parks and sportsgrounds	-	77	12,811	9,968
Recreation and culture	267	-	5,382	1,909
Street lighting	117	117	-	-
Storm/flood damage	-	1,029	-	-
Tourism	10	19	13	-
Traffic route subsidy	657	524	-	-
Transport (other roads and bridges funding)	-	1,485	7,496	12,876
Transport (roads to recovery)	-	721	660	-
Water (excl. section 64 contributions)	-	-	112	141
Weeds	50	11	-	-
Youth services	1	333	306	-
Other specific grants	-	70	-	-
Sewerage (excl. section 64 contributions)	-	-	1	3
Other contributions	-	972	63	-
Non-cash contributions				
Artworks	-	-	26	-
Dedications – subdivisions (other than by s7.11) (General Fund)	-	-	11,029	12,962
Dedications – subdivisions (other than by s7.11 and s64) (Water Fund)	-	-	914	1,202
Dedications – subdivisions (other than by s7.11 and s64) (Sewer Fund)	-	-	742	1,947
Total special purpose grants and non-developer contributions (tied)	3,783	9,311	40,354	41,313
Total grants and non-developer contributions	7,985	14,837	40,354	41,313

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Orange City Council | Notes to the Financial Statements 30 June 2025

B2-4 Grants and contributions (continued)

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Comprising:				
- Commonwealth funding	5,533	8,135	5,614	6,497
- State funding	2,275	6,399	21,880	18,629
- Other funding	177	303	149	76
- Subdivision Dedications	-	-	12,711	16,111
	<u>7,985</u>	<u>14,837</u>	<u>40,354</u>	<u>41,313</u>

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements	G4	212	185	53	-
S 7.11 – contributions towards amenities/services		-	-	2,845	4,294
S 64 – water supply contributions		-	-	1,840	2,694
S 64 – sewerage service contributions		-	-	1,187	1,698
Total developer contributions – cash		<u>212</u>	<u>185</u>	<u>5,925</u>	<u>8,686</u>
Non-cash contributions					
S 7.11 – contributions towards amenities/services		-	-	-	223
Total developer contributions		<u>212</u>	<u>185</u>	<u>5,925</u>	<u>8,909</u>
Total grants and contributions		<u>8,197</u>	<u>15,022</u>	<u>46,279</u>	<u>50,222</u>
Timing of revenue recognition					
Grants and contributions recognised over time		983	2,898	26,162	25,145
Grants and contributions recognised at a point in time		7,214	12,124	20,117	25,077
Total grants and contributions		<u>8,197</u>	<u>15,022</u>	<u>46,279</u>	<u>50,222</u>

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Unspent grants and contributions				
Unspent funds at 1 July	1,037	2,291	7,257	16,820
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	416	5,933	-	-
Add: Funds received and not recognised as revenue in the current year	1,354	1,037	7,231	5,998
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(441)	(7,916)	(155)	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(1,012)	(308)	(7,102)	(15,561)
Unspent funds at 30 June	<u>1,354</u>	<u>1,037</u>	<u>7,231</u>	<u>7,257</u>

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B2-4 Grants and contributions (continued)

Material accounting policy information

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council 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.

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which are enforceable 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 as there is no profit margin.

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

Contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

Other contributions

Assets received from contributions are recognised at fair value when the asset is received. Council 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.

Orange City Council | Notes to the Financial Statements 30 June 2025

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	905	706
– Cash and investments	12,259	11,031
Total interest and investment income (losses)	13,164	11,737

B2-6 Other income
Fair value increment on investments

Fair value increment on investments through profit and loss	81	45
Total fair value increment on investments	81	45

Other lease income

Leaseback fees - council vehicles	390	384
Communication Tower Sites	123	131
Airport Hangar rentals	438	422
Land and buildings - leases and rentals	1,010	994
Other	19	11
Total other income	2,061	1,987

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B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	41,556	38,212
Employee leave entitlements (ELE)	6,421	6,924
Superannuation	5,313	4,705
Workers' compensation insurance	1,240	1,331
Fringe benefit tax (FBT)	166	210
Payroll tax	279	260
Other	4	7
Total employee costs	54,979	51,649
Less: capitalised costs	(1,390)	(1,500)
Total employee costs expensed	53,589	50,149

Material accounting policy information

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.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		98,851	92,579
Audit Fees	F2-1	247	255
Councillor and Mayoral fees and associated expenses	F1-2	521	517
Electricity and heating		4,292	3,439
Insurance		1,790	1,785
Street lighting		785	766
Telephone and communications		259	211
Legal expenses:			
Planning and development		1	5
Other		233	224
Leases:			
Expenses from leases of low value assets		172	230
Total materials and services		107,151	100,011
Less: capitalised costs		(61,430)	(52,546)
Total materials and services		45,721	47,465

B3-3 Borrowing costs

Interest on leases		7	9
Interest on loans		351	664
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	324	1,117
Total borrowing costs expensed		682	1,790

Orange City Council | Notes to the Financial Statements 30 June 2025

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2025	2024
Depreciation and amortisation			
Plant and equipment		2,789	2,623
Office equipment		107	76
Furniture and fittings		83	51
Infrastructure:			
– Buildings	C1-7	4,526	4,185
– Other structures		837	687
– Roads		6,216	5,145
– Bridges		224	209
– Footpaths		388	343
– Stormwater drainage		1,280	1,145
– Water supply network		5,497	5,105
– Sewerage network		4,244	4,008
– Swimming pools		61	50
– Other open space/recreational assets		1,232	1,086
Right of use assets	C2-1	48	85
Other assets:			
– Library books		319	236
Reinstatement, rehabilitation and restoration assets:			
– Tip assets		22	22
Impairment / revaluation decrement of IPPE			
– Land under roads (post 30/6/08)	C1-7	4,221	–
Total IPPE impairment / revaluation decrement costs charged to Income Statement		4,221	–
Total depreciation, amortisation and impairment for non-financial assets		32,094	25,056

Material accounting policy information
Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPPE assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

Orange City Council | Notes to the Financial Statements 30 June 2025

B3-5 Other expenses

\$ '000	2025	2024
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	1,036	1,082
Donations, contributions and assistance to other organisations (Section 356)	161	86
Write-down of inventories held for sale or distribution	498	2,074
Total other expenses	1,695	3,242

B4 Gains or losses
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property	C1-7	2,379	–
Less: carrying amount of property assets sold/written off		(14,935)	(12,175)
Gain (or loss) on disposal		(12,556)	(12,175)
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment	C1-7	1,877	1,028
Less: carrying amount of plant and equipment assets sold/written off		(1,108)	(601)
Gain (or loss) on disposal		769	427
Infrastructure assets			
Proceeds from disposal – Infrastructure assets	C1-7	–	–
Less: carrying amount of infrastructure assets sold/written off		(13,769)	(10,832)
Gain (or loss) on disposal		(13,769)	(10,832)
Gain (or loss) on disposal of real estate assets held for sale			
Proceeds from disposal – real estate assets	C1-5	–	4,057
Less: carrying amount of real estate assets sold/written off		(80)	(1,958)
Gain (or loss) on disposal		(80)	2,099
Net gain (or loss) from disposal of assets		(25,636)	(20,481)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 18 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----		
Revenues					
Rates and annual charges	57,739	67,078	9,339	16%	F
Rates and annual charges increased due to a higher number of new dwellings from ongoing developments and the application of the rate peg increase.					
User charges and fees	43,062	34,085	(8,977)	(21)%	U
These vary based on community demand for council services. Council actively monitors service levels to align with demand, which can fluctuate significantly throughout the year.					
Operating grants and contributions	12,906	8,197	(4,709)	(36)%	U
Operating grants and contributions are inherently variable and difficult to predict, as they depend on external funding decisions and timing by state and federal agencies.					
Interest and investment revenue	9,906	13,164	3,258	33%	F
Interest and investment revenue exceeded budget expectations due to rising interest rates and the reinvestment of matured low-yield investments into higher-yielding options.					
Net gains from disposal of assets	1,667	-	(1,667)	(100)%	U
The net gain from plant sales offset the losses associated with the disposal of property and infrastructure assets, as presented in Schedule B4-1.					
Other income	-	2,061	2,061	∞	F
Realised actual income was commensurate to 2024. This revenue was incorrectly budgeted for in the 2025 budget.					
Expenses					
Materials and services	40,674	45,721	(5,047)	(12)%	U
The increase in materials and services costs is primarily due to the high capital value of works currently under construction and nearing completion, partially offset by savings in other expense categories.					
Borrowing costs	1,334	682	652	49%	F
Some delays in assets and project development resulted in council not drawing down on some loans resulting in a lower borrowing cost than anticipated.					
Depreciation, amortisation and impairment of non-financial assets	24,370	32,094	(7,724)	(32)%	U
Depreciation was under budgeted due to higher than expected depreciable asset values following indexation of infrastructure assets.					

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Orange City Council | Notes to the Financial Statements 30 June 2025

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Other expenses	8,482	1,695	6,787	80% F
Other expenses decreased as certain costs were reallocated and utilized within the materials and services category.				
Net losses from disposal of assets	-	25,636	(25,636)	∞ U
A significant reason for this variance is due to the process of capitalising work in progress in the disposal of some roads and other networks prior to revaluing these assets. The balance of the variance related to land parcels that were transferred, as well as deemed disposals and acquisitions.				

Statement of cash flows

Cash flows from financing activities	(3,173)	170	3,343	(105)% F
Actual cash flows are higher than anticipated due to an interim external loan to meet council capital project needs before being funded internal loan.				

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Orange City Council | Notes to the Financial Statements 30 June 2025

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

\$ '000	2025	2024
Cash on hand and at bank	858	5,665
Deposits at call	29,989	17,154
Total cash and cash equivalents	30,847	22,819

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	30,847	22,819
Balance as per the Statement of Cash Flows	30,847	22,819

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Financial assets at fair value through the profit and loss				
Floating Rate Notes	–	12,653	–	10,237
Debt securities at amortised cost				
Term Deposits and Bonds	74,000	138,840	87,000	128,131
Total financial investments	74,000	151,493	87,000	138,368
Total cash assets, cash equivalents and investments	104,847	151,493	109,819	138,368

Material accounting policy information

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

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C1-2 Financial investments (continued)

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise of investments in Floating Rate Notes (FRN) in the Statement of Financial Position.

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	256,340	248,187
Less: Externally restricted cash, cash equivalents and investments	<u>(214,663)</u>	<u>(203,042)</u>
Cash, cash equivalents and investments not subject to external restrictions	41,677	45,145

External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Specific purpose unexpended grants – general fund	7,469	7,231
Specific purpose unexpended grants – water fund	951	1,063
Specific purpose unexpended loans – general	5,054	1,168
Specific purpose unexpended grants – sewer fund	165	–
Developer contributions – general	18,250	15,357
Developer contributions – water fund	31,405	29,478
Developer contributions – sewer fund	16,255	15,189
Water fund	63,379	64,818
Sewer fund	54,177	53,292
Stormwater management	2,574	2,698
Domestic waste management	14,984	12,748
Total external restrictions	214,663	203,042

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

Orange City Council | Notes to the Financial Statements 30 June 2025

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2025	2024
(b) Internal allocations		
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	2,780	2,930
Infrastructure replacement	471	295
Employees leave entitlement	3,489	3,468
Carry over works	6,605	7,765
Ageing/disability services	350	349
Airport operations	2,841	1,520
Asset renewal/capital reserve	5,914	6,246
Future Funds reserve	4,995	4,995
Childrens services	14	14
Community safety	7	7
Election expenses	12	295
Heritage and tourism promotion	60	60
Insurance incentive bonus	64	64
Land development	6,501	6,501
Library	4	4
Parks/sportsgrounds/recreation	40	40
Pool redevelopment	-	182
Private works - Income in advance	1,690	901
Quarry operation	165	138
Regional art gallery	22	22
Rural fire service	69	69
FAG received in advance	-	4,166
Other	2,418	2,630
Total internal allocations	38,511	42,661

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C1-4 Receivables

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Rates and annual charges	7,567	–	7,292	–
Interest and extra charges	1,187	–	743	–
User charges and fees	3,363	–	2,777	–
Accrued revenues				
– Interest on investments	5,069	–	4,355	–
Deferred debtors	1	–	1	–
Loans to sporting clubs	29	–	63	–
Net GST receivable	1,483	–	1,332	–
Airport	462	–	347	–
Community amenity	–	–	5	–
Community Planning	223	–	220	–
Finance	64	–	259	–
Netwaste	–	–	94	–
Organisational services	100	–	51	–
Recreation/culture	260	–	1,487	–
Rural fire service	25	–	27	–
Traffic and transport	1,153	–	697	–
Wages in advance	27	–	27	–
Water supplies	115	–	107	–
Tourism and promotion	81	–	3	–
Enterprise Development	865	–	496	–
Other debtors	509	–	978	–
Total	22,583	–	21,361	–
Less: provision for impairment				
Other debtors	(141)	–	(148)	–
Total provision for impairment – receivables	(141)	–	(148)	–
Total net receivables	22,442	–	21,213	–

\$ '000	2025	2024
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 9)	148	148
– amounts already provided for and written off this year	(7)	–
Balance at the end of the year	141	148

Material accounting policy information

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

C1-4 Receivables (continued)

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

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Orange City Council | Notes to the Financial Statements 30 June 2025

C1-5 Inventories

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Real estate for resale	3,861	5,754	1,518	7,415
Stores and materials	653	–	587	–
Trading stock	232	–	153	–
Total inventories at cost	4,746	5,754	2,258	7,415
(ii) Inventories at net realisable value (NRV)				
Real estate for resale	–	–	–	1
Total inventories at net realisable value (NRV)	–	–	–	1
Total inventories	4,746	5,754	2,258	7,416

Material accounting policy information
Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Real Estate for resale

Real Estate for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Contract assets	2,885	–	4,513	–
Total contract assets and contract cost assets	2,885	–	4,513	–

Contract assets

Work relating to infrastructure grants	2,885	–	4,493	–
Work relating to operating grants	–	–	20	–
Total contract assets	2,885	–	4,513	–

Significant changes in contract assets

The balance in 2025 includes significant infrastructure projects:

- \$1.47M for the Orange Regional Conservatorium and Planetarium
- \$400k for Southern Feeder Road Stage 4

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period									At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment / revaluation (recognised in P/L)	WIP transfers	Adjustments and transfers	Tfrs from/(to) real estate assets (Note C1-5)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	71,563	–	71,563	11,501	19,583	–	–	–	(38,856)	(1)	–	–	63,790	–	63,790
Plant and equipment	29,656	(17,641)	12,015	–	6,194	(1,108)	(2,789)	–	–	(4)	–	–	30,810	(16,502)	14,308
Office equipment	2,210	(1,958)	252	–	–	–	(107)	–	–	4	–	–	2,214	(2,065)	149
Furniture and fittings	1,699	(982)	717	–	64	–	(83)	–	–	(13)	–	–	1,743	(1,058)	685
Land:															
– Operational land	120,276	–	120,276	–	1,109	(1,298)	–	–	–	(80)	(94)	1,129	121,042	–	121,042
– Community land	53,219	–	53,219	–	4,691	(7,239)	–	–	–	48	–	(3,312)	47,407	–	47,407
– Crown land	25,152	–	25,152	–	1,043	(6,398)	–	–	–	32	–	(2,044)	17,785	–	17,785
– Land under roads (post 30/6/08)	10,548	–	10,548	–	283	–	–	(4,221)	–	20	–	(2,547)	4,083	–	4,083
Land improvements – non-depreciable	432	–	432	–	–	–	–	–	–	–	–	11	443	–	443
Infrastructure:															
– Buildings	272,571	(107,572)	164,999	1,227	2,089	(2,305)	(4,526)	–	4,103	11	–	5,648	285,628	(114,382)	171,246
– Other structures	68,807	(18,448)	50,359	153	261	(156)	(897)	–	684	5	–	2,195	72,746	(20,082)	52,664
– Roads and Bulk earthworks	525,940	(182,046)	343,894	5,079	8,648	(5,123)	(6,216)	–	20,172	(1,489)	–	(38,909)	516,284	(190,228)	326,056
– Bridges	23,594	(7,999)	15,595	22	38	(38)	(224)	–	342	–	–	403	24,577	(8,439)	16,138
– Footpaths	37,009	(15,033)	21,976	453	772	(309)	(388)	–	2,051	–	–	563	40,794	(15,676)	25,118
– Stormwater drainage	210,580	(73,782)	136,798	1,182	2,013	(529)	(1,280)	–	4,787	(1)	–	3,388	223,297	(76,939)	146,358
– Water supply network	431,293	(156,175)	275,118	882	1,502	(3,963)	(5,497)	–	2,083	1	–	6,721	440,299	(163,452)	276,847
– Sewerage network	294,116	(113,289)	180,827	917	1,561	(1,030)	(4,244)	–	2,583	–	–	4,391	304,849	(119,844)	185,005
– Swimming pools	5,764	(1,619)	4,145	–	–	–	(61)	–	–	–	–	181	6,017	(1,752)	4,265
– Other open space/recreational assets	29,798	(9,543)	20,255	606	1,031	(306)	(1,232)	–	2,051	–	–	841	34,368	(11,122)	23,246
Other assets:															
– Library books	5,328	(4,440)	888	–	396	–	(319)	–	–	1	–	–	5,725	(4,759)	966
– Other	9,926	–	9,926	–	1,284	(11)	–	–	–	–	–	–	11,199	–	11,199
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):															
– Tip assets	886	(271)	615	25	42	–	(22)	–	–	1,439	–	2,239	4,631	(293)	4,338
– Quarry assets	64	(64)	–	–	318	–	–	–	–	–	–	–	382	(64)	318
Total infrastructure, property, plant and equipment	2,230,431	(710,862)	1,519,569	22,047	52,922	(29,813)	(27,825)	(4,221)	–	(27)	(94)	(19,102)	2,260,113	(746,657)	1,513,456

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Orange City Council | Notes to the Financial Statements 30 June 2025

C1-7 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period								At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Trfs from/(to) real estate assets (Note C1-5)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	59,097	-	59,097	-	44,958	-	-	(32,649)	-	-	-	71,563	-	71,563
Plant and equipment	28,011	(16,343)	11,668	-	2,867	(601)	(2,623)	704	-	-	-	29,656	(17,641)	12,015
Office equipment	2,203	(1,882)	321	-	-	-	(76)	7	-	-	-	2,210	(1,958)	252
Furniture and fittings	1,618	(931)	687	-	-	-	(51)	81	-	-	-	1,699	(982)	717
Land:														
- Operational land	147,249	-	147,249	-	-	(12,164)	-	572	(2,136)	(1,856)	(11,389)	120,276	-	120,276
- Community land	51,619	-	51,619	-	-	(10)	-	10	(784)	-	2,384	53,219	-	53,219
- Crown land	24,025	-	24,025	-	-	-	-	-	-	-	1,127	25,152	-	25,152
- Land under roads (post 30/6/08)	7,107	-	7,107	-	51	-	-	-	2,920	-	470	10,548	-	10,548
Land improvements - non-depreciable	410	-	410	-	-	-	-	-	-	-	22	432	-	432
Infrastructure:														
- Buildings	255,236	(97,434)	157,802	231	148	(1,131)	(4,185)	2,916	-	-	9,218	272,571	(107,572)	164,999
- Other structures	62,960	(16,563)	46,397	7	137	(2,089)	(687)	3,417	-	-	3,177	68,807	(18,448)	50,359
- Roads and Bulk earthworks	482,732	(170,403)	312,329	7,961	760	(3,788)	(5,145)	15,383	-	-	16,393	525,940	(182,046)	343,894
- Bridges	22,107	(7,383)	14,724	-	99	-	(209)	202	-	-	779	23,594	(7,999)	15,595
- Footpaths	33,262	(14,081)	19,181	-	1,268	(188)	(343)	1,055	-	-	1,003	37,009	(15,033)	21,976
- Stormwater drainage	192,801	(69,112)	123,689	-	7,472	(79)	(1,145)	648	-	-	6,213	210,580	(73,782)	136,798
- Water supply network	407,747	(143,557)	264,190	-	1,342	(1,402)	(5,105)	2,960	-	-	13,133	431,293	(156,175)	275,118
- Sewerage network	277,707	(103,814)	173,893	-	1,946	(1,994)	(4,008)	2,377	-	-	8,613	294,116	(113,289)	180,827
- Swimming pools	5,287	(1,464)	3,823	-	-	(16)	(50)	126	-	-	262	5,764	(1,619)	4,145
- Other open space/recreational assets	26,361	(7,844)	18,517	-	-	(145)	(1,086)	1,758	-	-	1,211	29,798	(9,543)	20,255
Other assets:														
- Library books	4,905	(4,204)	701	-	-	-	(236)	423	-	-	-	5,328	(4,440)	888
- Other	9,916	-	9,916	-	-	-	-	10	-	-	-	9,926	-	9,926
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
- Tip assets	886	(249)	637	-	-	-	(22)	-	-	-	-	886	(271)	615
- Quarry assets	64	(64)	-	-	-	-	-	-	-	-	-	64	(64)	-
Total infrastructure, property, plant and equipment	2,103,310	(655,328)	1,447,982	8,199	61,048	(23,607)	(24,971)	-	-	(1,856)	52,616	2,230,431	(710,862)	1,519,569

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

continued on next page ...

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C1-7 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	1 to 4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
Water and sewer assets		Pipes and pits	70 to 165
Dams and reservoirs	40 to 100	Covered channels	140
Bores	30 to 50	Lined open drains	140
Reticulation pipes: PVC	60 to 80		
Reticulation pipes: other	60 to 100		
Pumps and telemetry	10 to 60		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	Infinite
Sealed roads: surface	35 to 60	Swimming pools	50
Road pavements	10 to 128	Unsealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	70		
Kerb and gutter	100 to 300		
Footpaths	40 to 100		

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

C1-7 Infrastructure, property, plant and equipment (continued)

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

Council has elected not to recognise Rural Fire Service - red fleet assets because their value is calculated as immaterial. However Council recognise land and buildings associated with Rural Fire Service in these financial statements.

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including vehicles, machinery and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Vehicles

Council leases vehicles and equipment with lease terms varying from 5 to 7 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for one significant item - a printer. The leases are for between 3 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

\$ '000	Plant & Equipment	Office Equipment	Total
2025			
Opening balance at 1 July	63	–	63
Depreciation charge	(48)	–	(48)
Balance at 30 June	15	–	15
2024			
Opening balance at 1 July	128	20	148
Depreciation charge	(65)	(20)	(85)
Balance at 30 June	63	–	63

(b) Lease liabilities

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Lease liabilities	97	–	26	89
Total lease liabilities	97	–	26	89

C2-1 Council as a lessee (continued)
(c) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	97	–	–	97	97
2024					
Cash flows	26	89	–	115	115

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2025	2024
Interest on lease liabilities	7	9
Depreciation of right of use assets	48	85
Expenses relating to leases of low-value assets	172	230
	227	324

(e) Statement of Cash Flows

Total cash outflow for leases	18	53
	18	53

Material accounting policy information

Council 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.

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 received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

Council 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. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

Council provided operating leases on the following:

- Airport Hangars
- Communication Towers located on Water Storage reservoirs
- Private use of Council motor vehicles under a leaseback arrangement with members of staff
- Land and buildings

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below:

\$ '000	2025	2024
---------	------	------

Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	1,980	1,942
Total income relating to operating leases for Council assets	1,980	1,942

\$ '000	2025	2024
---------	------	------

Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

< 1 year	2,077	1,977
1–2 years	2,182	2,077
2–3 years	2,292	2,182
3–4 years	2,407	2,292
4–5 years	2,527	2,407
Total undiscounted lease payments to be received	11,485	10,935

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	7,012	–	8,017	–
Accrued expenses:				
– Borrowings	122	–	109	–
– Salaries and wages	1,887	–	1,745	–
Security bonds, deposits and retentions	495	–	264	–
Trust	–	–	108	–
Other	19	–	31	–
Total payables	9,535	–	10,274	–
Income received in advance				
Payments received in advance	1,690	–	902	–
Total income received in advance	1,690	–	902	–
Total payables	11,225	–	11,176	–

Material accounting policy information

Council 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.

Payables

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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Orange City Council | Notes to the Financial Statements 30 June 2025

C3-2 Contract Liabilities

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets) ⁱ	7,231	–	7,257	–
Unexpended operating grants (received prior to performance obligation being satisfied) AASB 15 ⁱⁱ	1,354	–	1,037	–
Total grants received in advance	8,585	–	8,294	–
Rates in advance	2,318	–	2,093	–
Total contract liabilities	10,903	–	10,387	–

(i) Council has received funding to construct assets including roads, recreational facilities, water infrastructure and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

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

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Grants and contributions received in advance:				
Capital grants (to construct Council controlled assets)	7,102	–	7,102	15,561
Operating grants (received prior to performance obligation being satisfied)	1,012	–	1,012	308
Total revenue recognised that was included in the contract liability balance at the beginning of the period	8,114	–	8,114	15,869

Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Loans – secured ¹	7,585	7,199	4,812	9,784
Total borrowings	7,585	7,199	4,812	9,784

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2024		Non-cash movements				2025
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	14,596	188	–	–	–	–	14,784
Lease liability (Note C2-1)	115	(18)	–	–	–	–	97
Total liabilities from financing activities	14,711	170	–	–	–	–	14,881

\$ '000	2023		Non-cash movements				2024
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	19,551	(4,955)	–	–	–	–	14,596
Lease liability (Note C2-1)	168	(53)	–	–	–	–	115
Total liabilities from financing activities	19,719	(5,008)	–	–	–	–	14,711

(b) Financing arrangements

\$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ¹	1,000	1,000
Credit cards/purchase cards	113	113
Bank Guarantee	150	–
Credit Card Procurement Management Account	50	–
Total financing arrangements	1,313	1,113
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Credit cards/purchase cards	64	47
Bank Guarantee	102	–
Credit Card - Procurement Management Account	17	–
Total drawn financing arrangements	183	47
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	49	66
Bank Guarantee	48	–
Credit Card - Procurement Management Account	33	–
Total undrawn financing arrangements	1,130	1,066

continued on next page ...

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C3-3 Borrowings (continued)

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

⁽¹⁾ The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

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Orange City Council | Notes to the Financial Statements 30 June 2025

C3-4 Employee benefit provisions

\$ '000	2025		2024	
	Current	Non-current	Current	Non-current
Annual leave	3,720	–	3,429	–
Long service leave	4,771	986	4,646	955
Other employee benefits	784	66	714	63
Total employee benefit provisions	9,275	1,052	8,789	1,018

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2025	2024
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employee benefits	3,473	4,504
	3,473	4,504

Material accounting policy information
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.

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C3-5 Provisions

\$ '000	2025		2024	
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	-	3,756	-	2,173
Sub-total – asset remediation/restoration	-	3,756	-	2,173
Total provisions	-	3,756	-	2,173

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2025		
At beginning of year	2,173	2,173
Additional provisions	1,259	1,259
Remeasurement effects	324	324
Total other provisions at end of year	3,756	3,756
2024		
At beginning of year	1,057	1,057
Remeasurement effects	1,116	1,116
Total other provisions at end of year	2,173	2,173

Nature and purpose of provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the Council resource recovery centres and quarries.

Material accounting policy information

Provisions are recognised when Council 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 a borrowing cost.

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

The infrastructure, property, plant and equipment (IPPE) revaluation surplus is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	General 2025	Water 2025	Sewer 2025
Income from continuing operations			
Rates and annual charges	49,870	6,993	10,215
User charges and fees	19,290	11,938	2,857
Interest and investment revenue	4,788	4,676	3,700
Other revenues	7,090	383	268
Grants and contributions provided for operating purposes	8,123	48	26
Grants and contributions provided for capital purposes	41,484	2,866	1,929
Net gains from disposal of assets	(88)	34	54
Other income	2,061	-	-
Total income from continuing operations	132,618	26,938	19,049
Expenses from continuing operations			
Employee benefits and on-costs	48,566	2,929	2,094
Materials and services	31,592	8,614	5,515
Borrowing costs	506	173	3
Other expenses	1,767	(48)	(24)
Net losses from the disposal of assets	20,444	3,975	1,217
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	102,875	15,643	8,805
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	29,743	11,295	10,244
Depreciation, amortisation and impairment of non-financial assets	21,603	5,900	4,591
Operating result from continuing operations	8,140	5,395	5,653
Net operating result for the year	8,140	5,395	5,653
Net operating result for the year before grants and contributions provided for capital purposes	(33,344)	2,529	3,724

Orange City Council | Notes to the Financial Statements 30 June 2025

D1-2 Statement of Financial Position by fund

\$ '000	General 2025	Water 2025	Sewer 2025
ASSETS			
Current assets			
Cash and cash equivalents	24,698	3,763	2,386
Investments	32,000	21,000	21,000
Receivables	(559)	8,804	14,197
Inventories	4,093	524	129
Contract assets and contract cost assets	2,885	-	-
Other	662	36	-
Total current assets	63,779	34,127	37,712
Non-current assets			
Investments	33,310	70,972	47,211
Inventories	5,754	-	-
Infrastructure, property, plant and equipment	1,018,149	290,669	204,638
Right of use assets	15	-	-
Total non-current assets	1,057,228	361,641	251,849
Total assets	1,121,007	395,768	289,561
LIABILITIES			
Current liabilities			
Payables	9,427	94	14
Income received in advance	1,690	-	-
Contract liabilities	10,738	-	165
Lease liabilities	97	-	-
Borrowings	6,618	967	-
Employee benefit provision	8,449	775	51
Total current liabilities	37,019	1,836	230
Non-current liabilities			
Lease liabilities	-	-	-
Borrowings	-	7,199	-
Employee benefit provision	435	432	185
Provisions	3,756	-	-
Total non-current liabilities	4,191	7,631	185
Total liabilities	41,210	9,467	415
Net assets	1,079,797	386,301	289,146
EQUITY			
Accumulated surplus	584,987	215,407	173,028
IPPE revaluation reserves	494,810	170,894	116,118
Council equity interest	1,079,797	386,301	289,146
Total equity	1,079,797	386,301	289,146

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D1-3 Details of internal loans

Details of individual internal loans	Macquarie Pipeline (Interest only)	Emergency 24hr Hangar	Airport Properties
Borrower (by purpose)	Water Fund	General Fund	General Fund
Lender (by purpose)	Sewer Fund	Sewer Fund	Sewer Fund
Date of Minister's approval	13/10/2010	16/11/2016	22/06/2017
Date raised	30/06/2015	16/11/2016	22/06/2017
Term years	20	24	10
Dates of maturity	30/06/2035	16/11/2040	22/6/2027
Rate of interest (%)	2	2	2
Amount originally raised	\$8,166,000	\$3,300,000	\$2,493,000
Principal outstanding at end of year (\$'000)	8,166	2,242	539

Details of individual internal loans	Orange Conservatorium
Borrower (by purpose)	General Fund
Lender (by purpose)	Water Fund
Date of Minister's approval	22/01/2025
Date raised	24/02/2025
Term years	15
Dates of maturity	30/12/2039
Rate of interest (%)	4.35% (Subject to Annual Review)
Amount originally raised	\$9,250,000
Principal outstanding at end of year (\$'000)	9,028

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E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Market risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	668	645
Impact of a 10% movement in price of investments		
– Equity / Income Statement	13,918	11,261

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

E1-1 Risks relating to financial instruments held (continued)
Credit risk profile
Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet overdue	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2025				
Gross carrying amount	2,318	5,060	189	7,567
2024				
Gross carrying amount	4,021	3,082	189	7,292

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2025						
Gross carrying amount	15,669	995	62	823	352	17,901
Expected loss rate (%)	0.00%	2.00%	4.00%	9.50%	11.75%	0.79%
ECL provision	-	20	2	78	41	141
2024						
Gross carrying amount	14,692	2,301	819	313	457	18,582
Expected loss rate (%)	0.00%	2.00%	4.00%	7.50%	10.00%	0.80%
ECL provision	-	46	33	23	46	148

E1-1 Risks relating to financial instruments held (continued)
(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2025							
Payables	0.00%	495	9,040	–	–	9,535	9,535
Borrowings	3.32%	–	7,837	6,110	1,328	15,275	14,784
Total financial liabilities		495	16,877	6,110	1,328	24,810	24,319
2024							
Payables	0.00%	372	9,902	–	–	10,274	10,274
Borrowings	2.91%	–	4,952	7,237	2,832	15,021	14,596
Total financial liabilities		372	14,854	7,237	2,832	25,295	24,870

E2-1 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Financial assets

Investments

Council receives monthly valuations and statements from the financial institutions that hold investments on behalf of Council.

There have been no change in valuation techniques during the reporting year.

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings

Plant and equipment, Office equipment and Furniture and fittings are valued at cost, however, are reported at fair value in the notes. The carrying amount of these assets is assumed to reasonably approximate fair value due to the nature of these asset classes.

The key unobservable input to the valuations is the remaining lives of each of these assets.

Crown Land

Crown Land parcels that have been identified as being under the control of Council have been comprehensively revalued as at 30 June 2025, this valuation was performed in-house using the values supplied by the NSW Valuer General. Where this value has not been provided a City wide square metre rate has been calculated and adjusted for restricted use and applied to these parcels of land. The key unobservable input is the reduced value due to restricted usage.

Operational Land

This asset class encompasses all of Council's land that has been classified as Operational Land in accordance with the Local Government Act 1993.

Operational Land was comprehensively revalued as at 30 June 2024, this work was completed by an external valuer.

The external valuer used to complete the valuations was Mr Scott Fullarton of Scott Fullarton Valuations Pty Ltd.

In accordance with the Local Government Code of Accounting Practice and Financial Reporting, Operational land should be valued at market value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price, for example: dimensions of the land, planning and development constraints and any potential alternative use.

The key unobservable input is the deficiency of observable market evidence to support the rates used.

An annual indexation of 0.95% has been applied to this class of asset for the period ending 30 June 2025.

Community Land

Community Land was comprehensively revalued as at 30 June 2025 this valuation has been performed in-house using the values provided by the NSW Valuer-General that were ascertained in their revaluation for rating purposes. Where this value has not been provided a City wide square metre rate has been calculated and adjusted for restricted use and applied to these parcels of land. The key unobservable input is the reduced value due to restricted usage.

The key unobservable input is the deficiency of observable market evidence to support the rates used.

Land under Roads

Council elected to recognise Land under Roads where it has been acquired after 1 July 2008.

This class of asset was comprehensively revalued as at 30 June 2025, this valuation performed in-house using an average of the valuation supplied by the NSW Valuer General of the adjoining land parcels to provide a square metre rate that has then been applied to the area of the designated Land under Roads.

E2-1 Fair value measurement (continued)

Land improvements - Depreciable and Non-depreciable

This asset class comprises of the Blackmans swamp.

Land improvements have been valued at cost, however, reported at fair value in the notes. The carrying amount of these assets has been used to approximate fair value due to the nature of the assets within this class of assets.

An annual indexation of 2.62% has been applied to this class of asset for the period ending 30 June 2025.

Buildings

Buildings were comprehensively revalued as at 30 June 2023. The external valuer who completed the valuations was Mr Scott Fullarton of Scott Fullarton Valuations Pty Ltd.

An annual indexation of 3.05% has been applied to the Non-specialised Buildings class of assets and an annual indexation of 4.44% has been applied to the Specialised Buildings class of assets for the period ending 30 June 2025.

As some of these assets have used methodologies that provided rates that can be substantiated by market evidence, these assets have been classified as having being valued using Level 2 inputs.

All specialised buildings have used a cost based methodology and they have been classified as level 3 inputs by an independent external valuer.

Other Structures, Swimming Pools and Open Space/Recreational Assets

These asset classes were comprehensively revalued as at 30 June 2021. These classes of assets were revalued using in-house valuation based upon unit rates that were Council's current construction rates at the time of valuation.

An annual indexation of 4.44% has been applied to these classes of assets for the period ending 30 June 2025.

Roads, Bridges, Footpaths and Bulk Earthworks

The asset class was comprehensively revalued as at 30 June 2020. Included within this asset class are Road surfaces, roundabouts, medians and kerb and gutters.

This class of asset was revalued using in-house valuation based upon unit rates that were Council's current construction rates at the time of valuation. The appropriate rates were applied to the square metre area of each component of each transport asset.

A civil engineering consultant was engaged by Council to conduct testing and provide condition rating information for Transport assets.

Inspection of the assets is performed on a continuing basis.

Council's square metre rates are significantly lower than those observable in the market, as Council owns a significant amount of road rehabilitation equipment, it has been considered that these assets have been valued using Level 3 inputs as they are unable to be supported by current market evidence.

An annual indexation rate of 2.62% has been applied to these classes of assets for the year ended 30 June 2025.

Stormwater Drainage

Stormwater drainage includes channels and detention basins. This class of asset was comprehensively revalued as at 30 June 2020.

The revaluation was performed in-house, using current construction unit rates and applying these to each drainage asset. As these rates are unable to be supported by market evidence, this asset class has been classified as being valued using Level 3 inputs.

An annual indexation rate of 2.5% in accordance with the indexation rates provided by NSW Office of Water has been applied to the class of asset for the year ended 30 June 2025.

Water supply and Sewerage network

The Water supply and Sewerage network were comprehensively revalued as at 30 June 2022, this revaluation was performed by Australis Asset Advisory Group for Council's major water and sewer infrastructure assets.

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E2-1 Fair value measurement (continued)

Water supply and Sewerage network assets are indexed annually using the Modern Engineering Equivalent assets (MEERA) rates provided by the NSW Office of Water. The annual indexation applied for the period ending 30 June 2025 is 2.5%.

The methodology used in this valuation is a depreciated replacement costs using standard unit rates. It also considered the nature of the assets, their current condition and strategic considerations that may influence asset life. The reference rates used have been issued by the NSW Office of Water.

Water supply and Sewerage network assets are indexed annually using the Modern Engineering Equivalent assets (MEERA) rates provided by the NSW Office of Water.

Library books

Library books are valued at cost but are disclosed at fair value in the notes. The carrying value is assumed to approximate fair value due to the nature of the assets.

Other assets

This class of asset comprises of the Catalogued Art works owned by Council. This class of asset was revalued during the 2021 financial year. This revaluation was performed by ARTiFACTS - specialists in collection management, market advice, appraisals and valuations.

Tip and Quarry remediation

Council owns and operates the Ophir Road and Euchareena Road Resource Recovery facilities together with the Cullya and Phillip Street quarries.

Closure of any of these facilities will require Council to rehabilitate all sites; activities would include capping, site revegetation, leachate management and decommissioning.

The costs of remediation are considered at the end of each reporting period.

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E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant, equipment, furniture, fittings and office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Crown Land	Market approach. Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Community Land	Market approach. Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Land Under Roads	Average unit rate	Land Value, land area
Land Improvements	Unit rates per m2 or length	Asset condition, remaining lives, residual value
Buildings	Cost used to approximate fair value	Asset condition, remaining lives
Other Structures	Unit rates per m2 or length	Asset condition, remaining lives
Roads, bridges, footpaths and bulk earthworks.	Cost approach	Asset condition, remaining lives using componentisation
Library books	Cost used to approximate fair value	Asset condition, remaining lives
Other - Art Works	Fair value	The level of appreciation of the asset
Stormwater Drainage	Cost approach	Asset condition, remaining lives
Water and Sewerage Networks	Unit rates per m2 or length	Asset condition, remaining lives
Swimming Pools, Other Open Space / Recreational Assets	Unit rates per m2 or length	Asset condition, remaining lives
Remediation assets	Cost approach	Regulatory requirements, timing of outflows, asset condition

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy by class of assets is provided below:

\$ '000	IPP&E Assets	
	2025	2024
Opening balance	1,323,813	1,237,890
Total gains or losses for the period		
Other movements		
Purchases (GBV)	42,776	24,280
Depreciation and impairment	(27,825)	(24,872)
Transfer from Work in progress and adjustments	42,827	34,144
Revaluation adjustments	(24,452)	63,787
Disposals (WDV)	(28,515)	(11,416)
Closing balance 30 June	1,328,624	1,323,813

Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Orange City Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB 119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 9.5% from 1 July 2025 of salaries to these members' accumulation accounts in line with the current level of SG contributions, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease these past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses. However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

(c) a description of any agreed allocation of a deficit or surplus on:

(i) wind-up of the plan

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on

continued on next page ...

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E3-1 Contingencies (continued)

wind-up.

(ii) the entity's withdrawal from the plan

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

(d) Given the entity accounts for that plan as if it were a defined contribution plan in accordance with paragraph 34, the following information:

(i) the fact that the plan is a defined benefit plan.

We confirm the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan. See earlier section on "AASB119 accounting observations".

(iii) the expected contributions to the plan for the next annual reporting period.

(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Defined Benefits reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

- excluding member accounts and reserves in both assets and liabilities.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Based on a past service liabilities methodology the share of any funding surplus or deficit that can be attributed to Council is 0.94% as at 30 June 2025.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by me as the Fund's Actuary, the final end of year review will be completed by December 2025.

(ii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

E3-1 Contingencies (continued)

(iii) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities**(i) Third party claims**

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED**(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Orange City Council | Notes to the Financial Statements 30 June 2025

F People and relationships
F1 Related party disclosures
F1-1 Key management personnel (KMP)

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	1,728	1,619
Other long-term benefits	34	113
Total	1,762	1,732

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
2025						
Provision of PPE	1	-	-	Council terms 30 days. Procurement process followed for all purchases.	-	-
Provision of Goods to Visitors Information Centre	2	3	-	Council terms 30 days. Procurement process followed for all purchases.	-	-
Consulting services	3	8	-	Council terms 30 days. Procurement process followed for all purchases.	-	-
2024						
Training Services		-	-	Council terms 30 days. Procurement processes followed for all purchases. This relationship ceased with the Local Government Elections.	-	-
Electrical Services		-	-	Council terms 30 days. Procurement process followed for all purchase	-	-
Communication services		-	-	Council terms 30 days. Procurement process followed for all purchases.	-	-
Provision of PPE	1	25	-	Council terms 30 days. Procurement process followed for all purchases.	-	-

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Orange City Council | Notes to the Financial Statements 30 June 2025

F1-1 Key management personnel (KMP) (continued)

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
Provision of Goods to Visitors Information Centre	2	1	–	Council terms 30 days. Procurement process followed for all purchases.	–	–
Consulting services	3	69	–	Council terms 30 days. Procurement process followed for all purchases.	–	–

1 A KMP is the principal in a firm that provides Personal Protection equipment to Council. All services provided have been done so in accordance with Council's purchasing policy. Arms length established

2 A KMP is the principal that provides items for sale to the Visitors Information Centre. All services provided have been done so in accordance with Council's purchasing policy Arms length established

3 A KMP is the principal that provides consulting services to Council. KMP has a family member that provides consulting and testing services to Council. All services provided have been done so in accordance with Council's purchasing policy. Arms length established.

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Orange City Council | Notes to the Financial Statements 30 June 2025

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2025	2024
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	67	59
Councillors' fees	349	349
Other Councillors' expenses (including Mayor)	105	109
Total	521	517

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2025						
Central NSW Joint Organisation - 1 of 14 Members	1	267	-		-	-
Orange 360 (formally TDO Ltd) - 4 KMPs on Board	2	546	-		-	-
2024						
Central NSW Joint Organisation - 1 of 14 Members	1	204	-		-	-
Orange 360 (formally TDO Ltd) - 4 KMPs on Board	2	511	-		-	-

1 Council is a member with the other councils of Central West Joint Organisation. Membership fees established by agreement with members.

2 Council has representation on the Board of Orange 360 totalling 3 of 11 members. Membership resolved by Council. Orange 360 is a provider of Tourism services to Orange, Blayney and Cabonne Local Government Areas.

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	163	255
Audit and review of financial statements Previous Year	84	-
Total Auditor-General remuneration	247	255
Total audit fees	247	255

G Other matters
G1-1 Statement of Cash Flows information
(a) Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement	19,188	37,342
Add / (less) non-cash items:		
Depreciation and amortisation	27,873	25,056
(Gain) / loss on disposal of assets	25,636	20,481
Non-cash capital grants and contributions	(12,711)	(16,334)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(81)	(45)
– Revaluation decrements / impairments of IPP&E direct to P&L	4,221	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(1,222)	(427)
Increase / (decrease) in provision for impairment of receivables	(7)	–
(Increase) / decrease of inventories	(145)	(120)
(Increase) / decrease of other current assets	(505)	(3)
(Increase) / decrease of contract asset	1,628	(4,513)
Increase / (decrease) in payables	(1,005)	(1,459)
Increase / (decrease) in accrued interest payable	13	87
Increase / (decrease) in other accrued expenses payable	142	667
Increase / (decrease) in other liabilities	899	1,019
Increase / (decrease) in contract liabilities	516	(11,268)
Increase / (decrease) in employee benefit provision	520	1,040
Increase / (decrease) in other provisions	1,583	1,116
Net cash flows from operating activities	66,543	52,639

(b) Non-cash investing and financing activities

Developer contributions 'in kind'	–	223
Subdivision dedications	12,711	16,111
Total non-cash investing and financing activities	12,711	16,334

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Orange Regional Conservatorium and Planetarium	16,401	28,100
Orange Sports Precinct	36,111	6,667
Southern Feeder Road Stage 4 and Shiralee Collector Road Stage 5	427	5,739
Huntley Road Upgrade	-	1,688
Lake Canobolas Upgrades	-	1,562
Adventure Playground and Splash Park	-	1,471
Icely Road Water Treatment Plant	110	1,226
Euchareena Road Resource Recovery Centre	-	1,041
Orange Sewage Treatment Plant Inlet Works Upgrade	560	754
Sewerage and water infrastructure	-	315
Total commitments	53,609	48,563
These expenditures are payable as follows:		
Within the next year	44,809	40,963
Later than one year and not later than 5 years	8,800	7,600
Total payable	53,609	48,563
Sources for funding of capital commitments:		
Unrestricted general funds	15	22
Future grants	36,541	25,246
Externally restricted reserves	7,803	4,795
Loan arrangements	9,250	18,500
Total sources of funding	53,609	48,563

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G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Statement of developer contributions
G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025
		Cash	Non-cash Land	Non-cash Other				
Roads and Drainage ⁱ	(1,780)	363	-	-	(76)	(223)	-	(1,716)
Parking	301	59	-	-	14	-	-	374
Open space	6,228	214	-	-	293	(128)	-	6,607
Community facilities	1,993	64	-	-	94	-	-	2,151
Legals	111	52	-	-	6	-	-	169
Survey/design/management	1,050	508	-	-	50	(539)	-	1,069
Plan preparation and administration	1,259	120	-	-	66	(39)	-	1,406
Local Area Facilities	6,094	1,465	-	-	525	-	-	8,084
S7.11 contributions – under a plan	15,256	2,845	-	-	972	(929)	-	18,144
Total S7.11 and S7.12 revenue under plans	15,256	2,845	-	-	972	(929)	-	18,144
S7.11 not under plans	101	-	-	-	5	-	-	106
S64 contributions	44,667	3,027	-	-	2,100	(2,134)	-	47,660
Total contributions	60,024	5,872	-	-	3,077	(3,063)	-	65,910

(i) The construction of the Southern Feeder Road has been completed ahead of all developer contributions for the area being received, this cost of this project will be recovered in subsequent contributions received.

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2024	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2025
		Cash	Non-cash Land	Non-cash Other				
S7.11 contributions – under a plan								
CONTRIBUTION PLAN – ORANGE CITY COUNCIL								
Roads and Drainage	(1,780)	363	-	-	(76)	(223)	-	(1,716)
Parking	301	59	-	-	14	-	-	374
Open space	6,228	214	-	-	293	(128)	-	6,607
Community facilities	1,993	64	-	-	94	-	-	2,151
Legals	111	52	-	-	6	-	-	169
Survey/design/management	1,050	508	-	-	50	(539)	-	1,069
Plan preparation and administration	1,259	120	-	-	66	(39)	-	1,406
Total	9,162	1,380	-	-	447	(929)	-	10,060
CONTRIBUTION PLAN – WARATAHS								
Local Area Facilities	3,101	23	-	-	145	-	-	3,269
Total	3,101	23	-	-	145	-	-	3,269
CONTRIBUTION PLAN – NW ORANGE								
Local Area Facilities	855	29	-	-	40	-	-	924
Total	855	29	-	-	40	-	-	924
CONTRIBUTION PLAN – PLOUGHMANS VALLEY								
Local Area Facilities	882	48	-	-	42	-	-	972
Total	882	48	-	-	42	-	-	972
CONTRIBUTION PLAN - SHIRALEE								
Local Area Facilities	1,256	1,365	-	-	298	-	-	2,919
Total	1,256	1,365	-	-	298	-	-	2,919

G4-3 Contributions not under plans

CONTRIBUTIONS NOT UNDER A PLAN								
Traffic facilities	101	-	-	-	5	-	-	106
Total	101	-	-	-	5	-	-	106

End of the audited financial statements

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Orange City Council | Notes to the Financial Statements 30 June 2025

Orange City Council**General Purpose Financial Statements**
for the year ended 30 June 2025**Independent Auditor's Reports:**

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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continued on next page ...

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Orange City Council | Notes to the Financial Statements 30 June 2025

Orange City Council**General Purpose Financial Statements**
for the year ended 30 June 2025**Independent Auditor's Reports: (continued)**

On the Financial Statements (Sect 417 [3])**Independent Auditor's Report**

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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Orange City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

A proud, vibrant community that embraces, fosters and supports natural, social, cultural and economic diversity

Orange City Council

Special Purpose Financial Statements
for the year ended 30 June 2025

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Orange City Council

Special Purpose Financial Statements for the year ended 30 June 2025

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022*

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 31 March 2026.

Cr Tony Mileto
Mayor
31 March 2026

Cr Steven Peterson
Councillor
31 March 2026

Scott Maunder
Chief Executive Officer
31 March 2026

Jen Sharp
Director - Corporate & Commercial Services
31 March 2026

Orange City Council | Income Statement of water supply business activity | for the year ended 30 June 2025

Orange City Council
Income Statement of water supply business activity
 for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	6,993	6,612
User charges	11,938	10,944
Interest and investment income	4,676	3,944
Grants and contributions provided for operating purposes	48	6
Net gain from the disposal of assets	34	46
Other income	383	537
Total income from continuing operations	24,072	22,089
Expenses from continuing operations		
Employee benefits and on-costs	2,929	2,563
Borrowing costs	173	184
Materials and services	8,614	9,083
Depreciation, amortisation and impairment	5,900	5,454
Net loss from the disposal of assets	3,975	1,825
Other expenses	(48)	-
Total expenses from continuing operations	21,543	19,109
Surplus (deficit) from continuing operations before capital amounts	2,529	2,980
Grants and contributions provided for capital purposes	2,866	4,036
Surplus (deficit) from continuing operations after capital amounts	5,395	7,016
Surplus (deficit) from all operations before tax	5,395	7,016
Less: corporate taxation equivalent (25%) [based on result before capital]	(632)	(745)
Surplus (deficit) after tax	4,763	6,271
Plus accumulated surplus	210,012	201,488
Plus adjustments for amounts unpaid:		
- Corporate taxation equivalent	632	745
Closing accumulated surplus	215,407	208,504
Return on capital %	0.9%	1.1%
Subsidy from Council	9,390	9,312
Calculation of dividend payable:		
Surplus (deficit) after tax	4,763	6,271
Less: capital grants and contributions (excluding developer contributions)	(2,866)	(4,036)
Surplus for dividend calculation purposes	1,897	2,235
Potential dividend calculated from surplus	948	1,118

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Orange City Council | Income Statement of sewerage business activity | for the year ended 30 June 2025

Orange City Council
Income Statement of sewerage business activity
 for the year ended 30 June 2025

\$ '000	2025	2024
Income from continuing operations		
Access charges	10,215	9,578
User charges	2,857	2,755
Interest and investment income	3,700	3,025
Grants and contributions provided for operating purposes	26	3
Net gain from the disposal of assets	54	-
Other income	268	257
Total income from continuing operations	17,120	15,618
Expenses from continuing operations		
Employee benefits and on-costs	2,094	2,303
Borrowing costs	3	10
Materials and services	5,515	5,392
Depreciation, amortisation and impairment	4,591	4,301
Net loss from the disposal of assets	1,217	2,687
Other expenses	(24)	-
Total expenses from continuing operations	13,396	14,693
Surplus (deficit) from continuing operations before capital amounts	3,724	925
Grants and contributions provided for capital purposes	1,929	3,648
Surplus (deficit) from continuing operations after capital amounts	5,653	4,573
Surplus (deficit) from all operations before tax	5,653	4,573
Less: corporate taxation equivalent (25%) [based on result before capital]	(931)	(231)
Surplus (deficit) after tax	4,722	4,342
Plus accumulated surplus	167,375	162,894
Plus adjustments for amounts unpaid:		
- Corporate taxation equivalent	931	231
Closing accumulated surplus	173,028	167,467
Return on capital %	1.8%	0.5%
Subsidy from Council	4,786	7,670
Calculation of dividend payable:		
Surplus (deficit) after tax	4,722	4,342
Less: capital grants and contributions (excluding developer contributions)	(1,929)	(3,648)
Surplus for dividend calculation purposes	2,793	694
Potential dividend calculated from surplus	1,397	347

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Orange City Council | Income Statement of Caravan park | for the year ended 30 June 2025

Orange City Council

 Income Statement of Caravan park
 for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
User charges	805	715
Other income	8	7
Total income from continuing operations	813	722
Expenses from continuing operations		
Employee benefits and on-costs	495	524
Materials and services	297	242
Depreciation, amortisation and impairment	89	82
Total expenses from continuing operations	881	848
Surplus (deficit) from continuing operations before capital amounts	(68)	(126)
Grants and contributions provided for capital purposes	6	3
Surplus (deficit) from continuing operations after capital amounts	(62)	(123)
Surplus (deficit) from all operations before tax	(62)	(123)
Surplus (deficit) after tax	(62)	(123)
Plus adjustments for amounts unpaid:		
– Subsidy paid/contribution to operations	–	123
Closing accumulated surplus	(62)	–
Return on capital %	(3.6)%	(5.5)%
Subsidy from Council	147	225
Calculation of dividend payable:		
Surplus (deficit) after tax	(62)	(123)
Less: capital grants and contributions (excluding developer contributions)	(6)	(3)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

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Orange City Council | Income Statement of Child care | for the year ended 30 June 2025

Orange City Council

 Income Statement of Child care
 for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
User charges	5,685	5,823
Grants and contributions provided for operating purposes	471	458
Net gain from the disposal of assets	-	2
Other income	4	4
Total income from continuing operations	6,160	6,287
Expenses from continuing operations		
Employee benefits and on-costs	4,730	4,384
Materials and services	1,419	1,524
Depreciation, amortisation and impairment	164	157
Net loss from the disposal of assets	-	8
Total expenses from continuing operations	6,313	6,073
Surplus (deficit) from continuing operations before capital amounts	(153)	214
Surplus (deficit) from continuing operations after capital amounts	(153)	214
Surplus (deficit) from all operations before tax	(153)	214
Less: corporate taxation equivalent (25%) [based on result before capital]	-	(54)
Surplus (deficit) after tax	(153)	160
Plus accumulated surplus	4,421	4,207
Plus adjustments for amounts unpaid:		
- Corporate taxation equivalent	-	54
Closing accumulated surplus	4,268	4,421
Return on capital %	(2.7)%	3.6%
Subsidy from Council	393	38
Calculation of dividend payable:		
Surplus (deficit) after tax	(153)	160
Surplus for dividend calculation purposes	-	160
Potential dividend calculated from surplus	-	80

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Orange City Council | Statement of Financial Position of water supply business activity | as at 30 June 2025

Orange City Council

Statement of Financial Position of water supply business activity as at 30 June 2025

\$ '000	2025	2024
Current assets		
Cash and cash equivalents	3,763	5,729
Investments	21,000	32,500
Receivables	8,804	5,649
Inventories	524	494
Other	36	–
Total current assets	34,127	44,372
Non-current assets		
Investments	70,972	57,130
Infrastructure, property, plant and equipment	290,669	290,145
Total non-current assets	361,641	347,275
Total assets	395,768	391,647
LIABILITIES		
Current liabilities		
Contract liabilities	–	1,063
Payables	94	2,067
Borrowings	967	334
Employee benefit provisions	775	1,008
Total current liabilities	1,836	4,472
Non-current liabilities		
Borrowings	7,199	9,784
Employee benefit provisions	432	106
Total non-current liabilities	7,631	9,890
Total liabilities	9,467	14,362
Net assets	386,301	377,285
EQUITY		
Accumulated surplus	215,407	208,504
IPPE revaluation surplus	170,894	168,781
Total equity	386,301	377,285

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Orange City Council | Statement of Financial Position of sewerage business activity | as at 30 June 2025

Orange City Council

 Statement of Financial Position of sewerage business activity
 as at 30 June 2025

\$ '000	2025	2024
Current assets		
Cash and cash equivalents	2,386	5,993
Investments	21,000	17,500
Receivables	14,197	12,046
Inventories	129	94
Total current assets	37,712	35,633
Non-current assets		
Investments	47,211	44,988
Infrastructure, property, plant and equipment	204,638	200,115
Total non-current assets	251,849	245,103
Total assets	289,561	280,736
LIABILITIES		
Current liabilities		
Contract liabilities	165	–
Payables	14	12
Borrowings	–	182
Employee benefit provisions	51	181
Total current liabilities	230	375
Non-current liabilities		
Employee benefit provisions	185	21
Total non-current liabilities	185	21
Total liabilities	415	396
Net assets	289,146	280,340
EQUITY		
Accumulated surplus	173,028	167,467
IPPE revaluation surplus	116,118	112,873
Total equity	289,146	280,340

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Orange City Council | Statement of Financial Position of Caravan park | as at 30 June 2025

Orange City Council

 Statement of Financial Position of Caravan park
 as at 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Non-current assets		
Infrastructure, property, plant and equipment	1,897	2,298
Total non-current assets	1,897	2,298
Total assets	1,897	2,298
LIABILITIES		
Current liabilities		
Payables	13	10
Employee benefit provisions	19	18
Total current liabilities	32	28
Non-current liabilities		
Employee benefit provisions	29	27
Total non-current liabilities	29	27
Total liabilities	61	55
Net assets	1,836	2,243
EQUITY		
Accumulated surplus	(62)	-
IPPE revaluation surplus	1,898	2,243
Total equity	1,836	2,243

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Orange City Council | Statement of Financial Position of Child care | as at 30 June 2025

Orange City Council

 Statement of Financial Position of Child care
 as at 30 June 2025

\$ '000	2025	2024
	Category 2	Category 2
Current assets		
Receivables	65	50
Total current assets	65	50
Non-current assets		
Infrastructure, property, plant and equipment	5,760	5,870
Total non-current assets	5,760	5,870
Total assets	5,825	5,920
LIABILITIES		
Current liabilities		
Employee benefit provisions	322	318
Total current liabilities	322	318
Non-current liabilities		
Employee benefit provisions	462	456
Total non-current liabilities	462	456
Total liabilities	784	774
Net assets	5,041	5,146
EQUITY		
Accumulated surplus	4,268	4,421
IPPE revaluation surplus	773	725
Total equity	5,041	5,146

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Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2021* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water Operations

Reticulation & treatment of Water

b. Sewer operations

Treatment of Raw Sewerage

Category 2

(where gross operating turnover is less than \$2 million)

a. Caravan Park

Provision of Caravan sites

b. Child Care

3 Day Care Centres, Family Day Care/Before & After School Care

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the

continued on next page ...

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Note – Material accounting policy information (continued)

private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,000 up to \$6,571,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Industry & Environment – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the DPIE – Water guidelines is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%.

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

Note – Material accounting policy information (continued)

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.16% at 30/6/25.

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses, or to any external entities.

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with the DCCEEW's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2024 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DCCEEW's regulatory and assurance framework, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are submitted to DCCEEW.

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Orange City Council | Special Purpose Financial Statements 2025

Orange City Council**Special Purpose Financial Statements**
for the year ended 30 June 2025

Independent Auditor's Report

Please upift Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).

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Orange City Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

A proud, vibrant community that embraces, fosters and supports natural, social, cultural and economic diversity

Orange City Council

Special Schedules

for the year ended 30 June 2025

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Orange City Council | Permissible income for general rates | for the year ended 30 June 2025

Orange City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	39,411	41,789
Plus or minus adjustments ²	b	507	309
Notional general income	c = a + b	39,918	42,098
Permissible income calculation			
Percentage increase	d	4.70%	4.00%
Plus percentage increase amount ³	f = d x (c + e)	1,876	1,684
Sub-total	g = (c + e + f)	41,794	43,782
Plus (or minus) last year's carry forward total	h	1	6
Sub-total	j = (h + i)	1	6
Total permissible income	o = k + n	41,795	43,788
Less notional general income yield	l	41,789	43,759
Catch-up or (excess) result	m = k - l	6	29
Carry forward to next year ⁴	p = m + n + o	6	29

Notes

- (1) The "notional general income" will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Permissible income for general rates

Permissible income for general rates: PLUS PDF inserted here

Council needs to uplift custom PDF here - please uplift via "PLUS PDF" choice in the Home/TOC screen

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Orange City Council | Report on infrastructure assets as at 30 June 2025

Orange City Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring assets to agreed level of service set by Council		2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000					1	2	3	4	5
Buildings	Other	8,993	8,993	2,796	2,796		171,246	285,628	25.0%	34.0%	27.0%	11.0%	3.0%	
	Sub-total	8,993	8,993	2,796	2,796		171,246	285,628	25.0%	34.0%	27.0%	11.0%	3.0%	
Other structures	Other structures	2,672	2,672	179	179		52,664	72,746	50.0%	34.0%	8.0%	7.0%	1.0%	
	Sub-total	2,672	2,672	179	179		52,664	72,746	50.0%	34.0%	8.0%	7.0%	1.0%	
Roads	Roads	17,092	17,092	1,425	1,425		367,312	581,655	34.0%	32.0%	24.0%	10.0%	0.0%	
	Other	-	-	-	-		-	-	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sub-total	17,092	17,092	1,425	1,425		367,312	581,655	34.0%	32.0%	24.0%	10.0%	0.0%	
Water supply network	Other	9,403	9,403	1,220	1,220		276,847	440,299	37.0%	38.0%	17.0%	5.0%	3.0%	
	Sub-total	9,403	9,403	1,220	1,220		276,847	440,299	37.0%	38.0%	17.0%	5.0%	3.0%	
Sewerage network	Other	3,145	3,145	658	658		185,005	304,849	33.0%	37.0%	20.0%	8.0%	2.0%	
	Sub-total	3,145	3,145	658	658		185,005	304,849	33.0%	37.0%	20.0%	8.0%	2.0%	
Stormwater drainage	Other	370	370	216	216		146,358	223,297	19.0%	56.0%	22.0%	2.0%	1.0%	
	Sub-total	370	370	216	216		146,358	223,297	19.0%	56.0%	22.0%	2.0%	1.0%	
Open space / recreational assets	Swimming pools	4,643	4,643	1,884	1,884		27,511	40,385	38.0%	40.0%	11.0%	10.0%	1.0%	
	Sub-total	4,643	4,643	1,884	1,884		27,511	40,385	38.0%	40.0%	11.0%	10.0%	1.0%	
Total – all assets		46,318	46,318	8,378	8,378		1,226,943	1,948,859	32.2%	37.4%	21.1%	7.7%	1.6%	

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1 Excellent/very good	No work required (normal maintenance)	4 Poor	Renewal required
2 Good	Only minor maintenance work required	5 Very poor	Urgent renewal/upgrading required
3 Satisfactory	Maintenance work required		

Orange City Council | Report on infrastructure assets as at 30 June 2025

Orange City Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicators		Benchmark
			2024	2023	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	10,849	44.27%	0.00%	9.51%	> 100.00%
Depreciation, amortisation and impairment	24,505				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	46,318	3.59%	3.09%	3.23%	< 2.00%
Net carrying amount of infrastructure assets	1,290,733				
Asset maintenance ratio					
Actual asset maintenance	8,378	100.00%	100.00%	60.46%	> 100.00%
Required asset maintenance	8,378				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	46,318	2.38%	2.09%	2.33%	
Gross replacement cost	1,948,859				

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.