Albury City Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

AlburyCity

Albury City Council

General Purpose Financial Statements
for the year ended 30 June 2026

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Overview

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

553 Kiewa Street
Albury NSW 2640

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.alburycity.nsw.gov.au

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

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 Albury City Council's operating result and financial position for the year
- accord with Albury City 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 28 September 2026.

Kylie King
Mayor
28 October 2026

Phillip Bullivant
Deputy Mayor
28 October 2026

Jason R. Gordon
Chief Executive Officer
28 October 2026

Ryan Hastie
Responsible Accounting Officer
28 October 2026

Albury City Council

Income Statement

for the year ended 30 June 2026

Original unaudited budget 2026 $ '000		Notes	Actual 2026 $ '000	Actual 2025 $ '000
	Income from continuing operations			
92,699	Rates and annual charges	B2-1	**90,073**	85,060
60,385	User charges and fees	B2-2	**65,300**	56,862
4,136	Other revenues	B2-3	**3,330**	4,790
10,725	Grants and contributions provided for operating purposes	B2-4	**14,483**	8,172
27,063	Grants and contributions provided for capital purposes	B2-4	**42,711**	30,939
9,813	Interest and investment income	B2-5	**10,276**	10,868
1,372	Other income	B2-6	**1,021**	884
206,193	**Total income from continuing operations**		**227,194**	197,575
	Expenses from continuing operations			
64,632	Employee benefits and on-costs	B3-1	**67,832**	65,853
59,160	Materials and services	B3-2	**58,793**	63,832
4,741	Borrowing costs	B3-3	**4,408**	3,674
2,187	Other expenses	B3-5	**2,529**	2,576
–	Net loss from the disposal of assets	B4-1	**5,169**	3,587
130,720	**Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**138,731**	139,522
75,473	**Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**88,463**	58,053
43,448	Depreciation, amortisation and impairment of non-financial assets	B3-4	**42,362**	39,891
32,025	Net operating result for the year attributable to Council		**46,101**	18,162
4,962	**Net operating result for the year before grants and contributions provided for capital purposes**		**3,390**	(12,777)

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

Albury City Council

Statement of Comprehensive Income

for the year ended 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Net operating result for the year (from Income Statement)		**46,101**	18,162
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	**34,519**	(13,627)
Total items that will not be reclassified subsequently to the operating result		**34,519**	(13,627)
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Water licence market adjustment		**(675)**	(375)
Total items that will be reclassified subsequently to the operating result when specific conditions are met		**(675)**	(375)
Total other comprehensive income for the year		**33,844**	(14,002)
Total comprehensive income for the year attributable to Council		**79,945**	4,160

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

Albury City Council

Statement of Financial Position

as at 30 June 2026

	Notes	2026 $ '000	2025 $ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	**27,846**	58,391
Investments	C1-2	**150,241**	101,555
Receivables	C1-4	**31,083**	29,611
Inventories	C1-5	**1,037**	1,012
Other	C1-8	**3,079**	1,402
Total current assets		**213,286**	191,971
Non-current assets			
Investments	C1-2	**54,954**	70,798
Inventories	C1-5	**7,061**	6,904
Infrastructure, property, plant and equipment (IPPE)	C1-6	**2,072,185**	2,015,963
Intangible assets	C1-7	**4,575**	5,250
Right of use assets	C2-1	**1,808**	2,085
Total non-current assets		**2,140,583**	2,101,000
Total assets		**2,353,869**	2,292,971
LIABILITIES			
Current liabilities			
Payables	C3-1	**22,292**	26,107
Contract liabilities	C3-2	**21,147**	20,479
Lease liabilities	C2-1	**451**	381
Borrowings	C3-3	**6,113**	6,561
Employee benefit provisions	C3-4	**9,605**	10,380
Total current liabilities		**59,608**	63,908
Non-current liabilities			
Lease liabilities	C2-1	**1,597**	1,935
Borrowings	C3-3	**71,578**	86,718
Employee benefit provisions	C3-4	**1,532**	946
Provisions	C3-5	**21,288**	21,143
Total non-current liabilities		**95,995**	110,742
Total liabilities		**155,603**	174,650
Net assets		**2,198,266**	2,118,321
EQUITY			
Accumulated surplus	C4-1	**1,001,461**	955,360
IPPE revaluation surplus	C4-1	**1,196,805**	1,162,961
Total equity		**2,198,266**	2,118,321

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

Albury City Council

Statement of Changes in Equity

for the year ended 30 June 2026

	Notes	2026 Accumulated surplus $ '000	2026 IPPE revaluation surplus $ '000	2026 Total equity $ '000	2025 Accumulated surplus $ '000	2025 IPPE revaluation surplus $ '000	2025 Total equity $ '000
Opening balance at 1 July		**955,360**	**1,162,961**	**2,118,321**	937,198	1,176,963	2,114,161
Net operating result for the year		**46,101**	**–**	**46,101**	18,162	–	18,162
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant & equipment	C1-6	**–**	**34,519**	**34,519**	–	(13,627)	(13,627)
Gain (loss) on revaluation of Water Licence		**–**	**(675)**	**(675)**	–	(375)	(375)
Total comprehensive income		**46,101**	**33,844**	**79,945**	18,162	(14,002)	4,160
Closing balance as at 30 June		**1,001,461**	**1,196,805**	**2,198,266**	955,360	1,162,961	2,118,321

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

Albury City Council

Statement of Cash Flows

for the year ended 30 June 2026

Original unaudited budget 2026 $ '000		Notes	Actual 2026 $ '000	Actual 2025 $ '000
	Cash flows from operating activities			
	Receipts:			
92,322	Rates and annual charges		**88,699**	84,490
59,933	User charges and fees		**66,252**	57,285
9,647	Interest received		**10,428**	10,708
30,925	Grants and contributions		**36,516**	28,721
–	Bonds, deposits and retentions received		**1,651**	–
2,964	Other		**4,520**	7,188
	Payments:			
(63,948)	Payments to employees		**(68,021)**	(64,594)
(59,529)	Payments for materials and services		**(60,644)**	(58,099)
(4,741)	Borrowing costs		**(3,440)**	(3,014)
–	Bonds, deposits and retentions refunded		**–**	(1,073)
(2,181)	Other		**(9,268)**	(2,430)
65,392	**Net cash from operating activities**	G1-1	**66,693**	59,182
	Cash flows from investing activities			
	Receipts:			
–	Sale of investments		**–**	16,010
1,732	Sale of real estate assets		**–**	1,402
–	Proceeds from sale of IPPE		**121**	492
	Payments:			
(341)	Purchase of investments		**–**	–
–	Acquisition of term deposits		**(32,842)**	–
(83,025)	Payments for IPPE		**(48,397)**	(74,422)
–	Purchase of real estate inventory		**(157)**	(773)
(81,634)	**Net cash from investing activities**		**(81,275)**	(57,291)
	Cash flows from financing activities			
	Receipts:			
25,000	Proceeds from borrowings		**25,000**	35,000
	Payments:			
(7,124)	Repayment of borrowings		**(40,588)**	(5,709)
(228)	Principal component of lease payments		**(375)**	(331)
17,648	**Net cash flow from financing activities**		**(15,963)**	28,960
1,406	**Net change in cash and cash equivalents**		**(30,545)**	30,851
32,522	Cash and cash equivalents at the beginning of reporting year		**58,391**	27,540
33,928	Cash and cash equivalents at the end of reporting year	C1-1	**27,846**	58,391
185,372	plus: Investments on hand at end of year	C1-2	**205,195**	172,353
219,300	Total cash, cash equivalents and investments		**233,041**	230,744

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

Albury 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 Albury City Council ('the Council') on 28 October 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 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.

The 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 financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and real estate assets held for sale which are accounted for at fair value.

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 real estate assets held for sale – refer Note C1-5,

(ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6,

(iii) estimated fair value of intangible assets (water licence) – refer Note C1-7,

(iv) estimated landfill remediation provisions – refer Note C3-5,

(v) 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 (NSW)*, all money and other assets 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.

continued on next page ...

A1-1 Basis of preparation (continued)

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

- General purpose operations
- Water supply
- Sewerage service

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993* (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets 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 other assets subject to Council's control have 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

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 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

There were no new standards relevant to Councils that became mandatorily effective for the year ended 30 June 2026.

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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$ '000	$ '000	**$ '000**	$ '000	**$ '000**	$ '000	**$ '000**	$ '000	**$ '000**	$ '000
Functions or activities										
A Growing Sustainable Economy	**165,476**	140,733	**111,008**	108,300	**54,468**	32,433	**38,784**	19,212	**1,741,613**	1,720,124
An Enhanced Natural Environment	**34,959**	30,156	**28,678**	28,583	**6,281**	1,573	**2,516**	2,159	**43,701**	43,660
A Caring Community	**11,655**	21,170	**20,152**	20,929	**(8,497)**	241	**4,446**	14,477	**349,009**	348,456
A Leading Community	**15,104**	5,516	**21,255**	21,601	**(6,151)**	(16,085)	**11,448**	3,263	**219,546**	180,731
Total functions and activities	**227,194**	197,575	**181,093**	179,413	**46,101**	18,162	**57,194**	39,111	**2,353,869**	2,292,971

B1-2 Components of functions or activities

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

A Growing Sustainable Economy

- Increase visitors to Albury and the surrounding region
- Improve visitor and residents' experiences
- Plan and cater for increased population growth
- Albury has a secure and well managed water supply
- Promote Albury for industry and business
- Integrated transport network for Albury
- Increase usage of bicycle and pedestrian networks
- Albury's infrastructure and assets are well managed and maintained

An Enhanced Natural Environment

- Albury has improved environmental outcomes
- Albury is prepared for changing environmental conditions
- An increased awareness in sustainability and environmental issues

A Caring Community

- Albury offers access to a diverse range of educational opportunities
- Albury's key community safety indicators continuously improve
- The health and wellbeing of the Albury community improves
- Albury offers a diverse and accessible range of facilities and activities for all ages
- Improved health, employment and education for the Aboriginal community in Albury
- The improved settlement of people from diverse cultures
- Increased participation in a diverse range of art and cultural activities in Albury

A Leading Community

- The community is consulted on all major changes that will affect them
- Regional issues are addressed through an integrated approach
- The Albury community provides resources and opportunities to develop future leaders
- Albury plans and leads with good governance

B2 Sources of income

B2-1 Rates and annual charges

	2026 $ '000	2025 $ '000
Ordinary rates		
Residential	**40,333**	38,447
Farmland	**645**	640
Business	**13,937**	13,320
Less: Pensioner rebates (statutory)	**(725)**	(717)
Less: Early payment discount (Council policy)	**(198)**	(310)
Rates levied to ratepayers	**53,992**	51,380
Pensioner rate subsidies received	**511**	498
Total ordinary rates	**54,503**	51,878
Special rates		
CBD Promotional levy	**189**	182
Rates levied to ratepayers	**189**	182
Total special rates	**189**	182
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	**9,621**	9,489
Water supply services	**5,419**	4,960
Sewerage services	**21,108**	19,349
Less: Pensioner rebates (statutory)	**(810)**	(815)
Less: Early payment discount (Council policy)	**(32)**	(56)
Less: Pensioner rebates domestic waste (Council policy)	**(275)**	(272)
Annual charges levied	**35,031**	32,655
Pensioner annual charges subsidies received:		
– Water	**177**	171
– Sewerage	**173**	174
Total annual charges	**35,381**	33,000
Total rates and annual charges	**90,073**	85,060

Council has used 2023 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

	2026 $ '000	2025 $ '000
User charges		
Water supply services	**18,045**	17,067
Sewerage services	**4,719**	4,334
Waste management services (non-domestic)	**21,273**	16,829
Total user charges	**44,037**	38,230
Fees		
Planning and building regulation	**2,935**	2,311
Section 603 certificates	**227**	204
Airport	**8,223**	7,525
Cemeteries	**1,552**	1,396
Child care	**4,320**	3,811
Community centres	**447**	416
Sporting ground fees	**243**	306
Water sales and charges	**663**	450
Other	**2,653**	2,213
Total fees	**21,263**	18,632
Total user charges and fees	**65,300**	56,862
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	**44,037**	38,214
User charges and fees recognised at a point in time	**21,263**	18,648
Total user charges and fees	**65,300**	56,862

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.
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

	2026 $ '000	2025 $ '000
Fines – parking	**243**	241
Real estate inventory sale	**–**	1,428
Albury Entertainment Centre	**1,612**	2,142
Workers compensation	**130**	143
Retro cafe	**322**	331
MAMA	**431**	234
Other	**592**	271
Total other revenue	**3,330**	4,790
Timing of revenue recognition for other revenue		
Other revenue recognised over time	**–**	–
Other revenue recognised at a point in time	**3,330**	4,790
Total other revenue	**3,330**	4,790

Material accounting policy information for other revenue

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

B2-4 Grants and contributions

	Operating 2026 $ '000	Operating 2025 $ '000	Capital 2026 $ '000	Capital 2025 $ '000
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	**3,260**	932	**–**	–
Financial assistance – local roads component	**1,016**	302	**–**	–
Payment in advance - future year allocation				
Financial assistance – general component	**5,387**	3,178	**–**	–
Financial assistance – local roads component	**1,729**	1,029	**–**	–
Amount recognised as income during current year	**11,392**	5,441	**–**	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Child care	**113**	112	**–**	–
Community centres	**82**	84	**–**	–
Environmental programs	**35**	34	**–**	–
Heritage and cultural	**1,210**	1,156	**100**	20
NEXUS Industrial Precinct	**–**	–	**–**	962
Recreation and culture	**298**	327	**4,234**	6,542
Airport Grants	**–**	–	**4,236**	1,200
Roads	**547**	672	**2,390**	1,712
Other specific grants	**647**	346	**1,557**	3,287
Transport	**–**	–	**350**	–
Waste management	**159**	–	**–**	622
Total special purpose grants and non-developer contributions – cash	**3,091**	2,731	**12,867**	14,345
Non-cash contributions				
Child care	**–**	–	**–**	2,251
Commonwealth land	**–**	–	**1,700**	–
Community facilities	**–**	–	**–**	3,973
Donated artwork	**–**	–	**420**	407
Subdivision dedications (other than by s7.11) (General Fund)	**–**	–	**14,508**	3,304
Subdivision dedications (other than by s7.11) (Water Fund)	**–**	–	**1,424**	306
Subdivision dedications (other than by s7.11) (Sewer Fund)	**–**	–	**2,522**	847
Total other contributions – non-cash	**–**	–	**20,574**	11,088
Total special purpose grants and non-developer contributions (tied)	**3,091**	2,731	**33,441**	25,433
Total grants and non-developer contributions	**14,483**	8,172	**33,441**	25,433
Comprising:				
– Commonwealth funding	**12,249**	6,623	**5,876**	1,904
– State funding	**2,105**	1,281	**6,718**	1,225
– Other funding	**129**	268	**20,847**	22,304
	14,483	8,172	**33,441**	25,433

continued on next page ...

B2-4 Grants and contributions (continued)

	Notes	Operating 2026 $ '000	Operating 2025 $ '000	Capital 2026 $ '000	Capital 2025 $ '000
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4				
Cash contributions					
S 7.4 – contributions using planning agreements		**–**	–	**795**	375
S 7.11 – contributions towards amenities/services		**–**	–	**3,663**	2,068
S 64 – water supply contributions		**–**	–	**1,959**	1,223
S 64 – sewerage service contributions		**–**	–	**2,853**	1,840
Total developer contributions – cash		**–**	–	**9,270**	5,506
Total developer contributions		**–**	–	**9,270**	5,506
Total grants and contributions		**14,483**	8,172	**42,711**	30,939
Timing of revenue recognition					
Grants and contributions recognised over time		**–**	–	**–**	–
Grants and contributions recognised at a point in time		**14,483**	8,172	**42,711**	30,939
Total grants and contributions		**14,483**	8,172	**42,711**	30,939

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B2-4 Grants and contributions (continued)

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:

	Operating 2026 $ '000	Operating 2025 $ '000	Capital 2026 $ '000	Capital 2025 $ '000
Unspent grants and contributions				
Unspent funds at 1 July	**516**	–	**16,296**	16,486
Add: grants recognised as income in the current period that were received for the provision of goods and services in a future period	**–**	516	**6,142**	4,478
Less: grants recognised in previous reporting periods that have been spent in the current reporting period	**(516)**	–	**(5,725)**	(4,668)
Unspent funds at 30 June	**–**	516	**16,713**	16,296
Contributions				
Unspent funds at 1 July	**–**	–	**10,932**	7,760
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	**–**	–	**6,197**	4,713
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	**–**	–	**(3,009)**	(1,541)
Unspent contributions at 30 June	**–**	–	**14,120**	10,932

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to 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 payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g., completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project.

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

Capital grants

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

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

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

Developer Contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s 7.4, 7.11 and 7.12 of the Environmental Planning and Assessment Act 1979 (EP&A Act).

continued on next page ...

B2-4 Grants and contributions (continued)

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 Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and 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.

B2-5 Interest and investment income

	2026 $ '000	2025 $ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	**416**	378
– Cash and investments	**9,860**	10,490
Total interest and investment income	**10,276**	10,868

Material accounting policy information
Interest income is recognised using the effective interest rate at the date that interest is earned.

B2-6 Other income

	Notes	2026 $ '000	2025 $ '000
Rental income			
Other lease income			
Commercial leases		**432**	358
Room/Facility Hire		**38**	133
Leaseback fees - council vehicles		**551**	393
Total other lease income		**1,021**	884
Total rental income	C2-2	**1,021**	884
Total other income		**1,021**	884

B3 Costs of providing services

B3-1 Employee benefits and on-costs

	2026 $ '000	2025 $ '000
Salaries and wages	**56,622**	53,502
Employee leave entitlements	**5,516**	7,311
Superannuation	**6,846**	6,628
Workers' compensation insurance	**1,081**	1,273
Fringe benefit tax	**110**	180
Payroll tax	**401**	415
Less: capitalised costs	**(2,744)**	(3,456)
Total employee costs expensed	**67,832**	65,853

Material accounting policy information

Superannuation plans

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

	Notes	2026 $ '000	2025 $ '000
Raw materials and consumables		**11,300**	17,031
Consultancy costs		**2,070**	1,712
Contractor costs		**29,389**	29,888
Councillor and Mayoral fees and associated expenses	F1-2	**406**	389
Advertising		**223**	302
Election expenses		**132**	162
Electricity and Gas		**5,648**	4,995
Electricity – street lighting		**638**	632
Insurance		**1,749**	1,558
Conferences and seminars		**24**	101
Equipment purchases		**132**	326
Marketing		**546**	637
Rent and hire charges		**52**	270
Training Costs		**389**	716
Telephone and communications		**348**	434
Legal expense		**422**	362
Other expenses		**5,325**	4,317
Total materials and services		**58,793**	63,832

B3-3 Borrowing costs

Interest on leases		**113**	150
Interest on loans		**3,327**	2,864
Amortisation of rehabilitation provision discount	C3-5	**968**	660
Total borrowing costs expensed		**4,408**	3,674

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

	Notes	2026 $ '000	2025 $ '000
Depreciation and amortisation			
Plant and equipment		**1,589**	1,564
Office equipment		**77**	72
Furniture and fittings		**43**	43
Land improvements		**3,214**	2,524
Infrastructure:	C1-6		
– Buildings		**8,457**	7,771
– Other structures		**980**	616
– Roads, bridges and footpaths		**10,908**	10,579
– Stormwater drainage		**2,027**	1,858
– Water supply network		**7,040**	6,934
– Sewerage network		**6,418**	6,330
Right of use assets	C2-1	**384**	396
Other assets:			
– Library books		**157**	175
– Other		**70**	17
Landfill rehabilitation and cell assets		**998**	1,012
Total depreciation and amortisation costs		**42,362**	39,891
TOTAL DEPRECIATION AND AMORTISATION		**42,362**	39,891

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.

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.

B3-5 Other expenses

	Notes	2026 $ '000	2025 $ '000
Impairment of receivables			
Other		**49**	189
Total impairment of receivables	C1-4	**49**	189
Other			
Contributions/levies to other levels of government			
– NSW fire brigade levy		**743**	682
– NSW rural fire service levy		**361**	318
- SES levy		**176**	203
Donations, contributions and assistance to other organisations (Section 356)		**1,200**	1,184
Total other expenses		**2,529**	2,576

B4 Gains or losses

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

	Notes	2026 $ '000	2025 $ '000
Infrastructure, property, plant and equipment	C1-6		
Proceeds from disposal		**121**	492
Less: carrying amount of assets sold		**(5,290)**	(2,548)
Less: carrying amount of assets written off		**–**	(1,531)
Net gain (or loss) from disposal of assets		**(5,169)**	(3,587)

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 23 June 2025 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	2026 Budget	2026 Actual	2026 Variance		
Revenues					
Rates and annual charges	**92,699**	**90,073**	**(2,626)**	**(3)%**	**U**
The variance reflects differences between budget assumptions and actual outcomes for land valuations, supplementary valuations and the assessment of newly rateable properties, resulting in a lower revenue yield than anticipated.					
User charges and fees	**60,385**	**65,300**	**4,915**	**8%**	**F**
This variance relates mainly to the difference between the budget and financial statements categorising some types of Water Revenue as user charges and annual charges, the net favourability is due to increased revenue from the Airports and AWMC.					
Other revenues	**4,136**	**3,330**	**(806)**	**(19)%**	**U**
This variance is mainly due to budgeted sale of land inventory which did not eventuate.					
Operating grants and contributions	**10,725**	**14,483**	**3,758**	**35%**	**F**
Operating grants exceeded budget as there was an increase in Financial Assistance Grants received in advance from the Federal Government compared to budget. AlburyCity budgeted 50% of the Financial Assistance Grant to be received in advance, whereas 80% was received in advance.					
Capital grants and contributions	**27,063**	**42,711**	**15,648**	**58%**	**F**
This variance mainly relates to the recognition of non-cash infrastructure from development which was not budgeted for.					
Interest and investment revenue	**9,813**	**10,276**	**463**	**5%**	**F**
This variance relates to interest received on improved cash position held due to better than budgeted operating results.					
Other income	**1,372**	**1,021**	**(351)**	**(26)%**	**U**

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B5-1 Material budget variations (continued)

$ '000	2026 Budget	2026 Actual	2026 Variance		
Expenses					
Employee benefits and on-costs	**64,632**	**67,832**	**(3,200)**	**(5)%**	**U**
The unfavourable variance reflects lower-than-budgeted vacancy savings. Vacancies were filled quicker than budget expectations.					
Materials and services	**59,160**	**58,793**	**367**	**1%**	**F**
Materials and services variance is below 10%.					
Borrowing costs	**4,741**	**4,408**	**333**	**7%**	**F**
Borrowing costs variance is below 10%.					
Depreciation, amortisation and impairment of non-financial assets	**43,448**	**42,362**	**1,086**	**2%**	**F**
Depreciation variance is below 10%.					
Other expenses	**2,187**	**2,529**	**(342)**	**(16)%**	**U**
Net losses from disposal of assets	**–**	**5,169**	**(5,169)**	**∞**	**U**
This variance relates mainly to the capital works undertaken at the Lauren Jackson Sports Centre and the Albury Exhibition Center.					
Statement of cash flows					
Cash flows from operating activities	**65,392**	**66,693**	**1,301**	**2%**	**F**
Cash flows from investing activities	**(81,634)**	**(81,275)**	**359**	**0%**	**F**
Cash flows from financing activities	**17,648**	**(15,963)**	**(33,611)**	**(190)%**	**U**
This variance reflects the impact of the repayment of the 2025 NSW Treasury Corporation loan. This loan was replaced with an internal loan from the Water Fund to the General Fund.					

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2026 $ '000	2025 $ '000
Cash assets		
Cash at Bank and on hand	**16**	15
Deposits at call	**27,830**	58,376
Total cash and cash equivalents	**27,846**	58,391

C1-2 Financial investments

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Term deposits	**150,241**	**54,954**	101,555	70,798
Total financial investments	**150,241**	**54,954**	101,555	70,798
TOTAL CASH ASSETS AND INVESTMENTS	**178,087**	**54,954**	159,946	70,798

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

	2026 $ '000	2025 $ '000

(a) Externally restricted cash, cash equivalents and investments

Total cash, cash equivalents and investments	**233,041**	230,744
Less: Externally restricted cash, cash equivalents and investments	**(172,329)**	(189,003)
Cash, cash equivalents and investments not subject to external restrictions	**60,712**	41,741

External restrictions

External restrictions – included in liabilities

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

Specific purpose unexpended grants – general fund	**17,243**	16,812
External restrictions – included in liabilities	**17,243**	16,812

Other external restrictions

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

Developer contributions – general	**10,794**	6,559
Water supply	**50,837**	75,506
Sewer fund	**93,058**	89,049
Domestic waste management	**397**	1,077
Total external restrictions	**172,329**	189,003

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.

	2026 $ '000	2025 $ '000

(b) Internal allocations

Internal allocations

At 30 June, Council has internally allocated funds to the following:

Employees leave entitlement	**2,784**	2,785
Deposits, retentions and bonds	**5,523**	3,834
Financial assistance grant received in advance	**7,117**	4,207
Prepaid burial contributions	**3,565**	3,232
Elections	**198**	66
Landfill rehabilitation	**8,591**	7,549
Tabletop community centre	**4**	4
Environmental Lands	**3,238**	3,256
Crematorium Perpetual Maintenance Fund	**118**	–
Carbon Offset Credits	**1,256**	–
TCorp Loan Funds Restricted for Specific Capital Projects	**4,234**	–
Total internal allocations	**36,628**	24,933

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

	2026 $ '000	2025 $ '000

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

	2026 $ '000	2025 $ '000
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	**24,084**	16,808

C1-4 Receivables

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Rates and annual charges	**13,589**	**–**	11,567	–
User charges and fees	**6,368**	**–**	6,754	–
Interest on investments	**4,594**	**–**	4,746	–
Government grants and subsidies	**344**	**–**	339	–
Net GST receivable	**1,631**	**–**	1,652	–
Other income accruals	**641**	**–**	697	–
Other debtors	**4,977**	**–**	5,118	–
Total	**32,144**	**–**	30,873	–
Less: provision for impairment				
User charges and fees	**(1,061)**	**–**	(1,262)	–
Total provision for impairment – receivables	**(1,061)**	**–**	(1,262)	–
Total net receivables	**31,083**	**–**	29,611	–

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 basis.

At the end of the financial year, AlburyCity's impairment balance is calculated by assessing all receivable balances based on the duration the debtor has been outstanding, industry type and organisation.

C1-5 Inventories

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
(i) Inventories at cost				
Real estate for resale	–	7,061	–	6,904
Stores and materials	1,037	–	1,012	–
Total inventories	1,037	7,061	1,012	6,904

(ii) Other disclosures

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
(a) Details for real estate development				
Residential	–	626	–	626
Industrial/commercial	–	6,435	–	6,278
Total real estate for resale	–	7,061	–	6,904
Represented by:				
Acquisition costs	–	2,530	–	2,530
Development costs	–	4,531	–	4,374
Total costs	–	7,061	–	6,904
Total real estate for resale	–	7,061	–	6,904
Movements:				
Real estate assets at beginning of the year	–	6,904	7,533	–
– Purchases and other costs	–	–	(7,533)	7,533
– Transfer In/Out	–	157	–	773
– Sales	–	–	–	(1,402)
Total real estate for resale	–	7,061	–	6,904

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.

Land held for resale

Land held 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.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2025			Asset movements during the reporting period							At 30 June 2026		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Adjustments and transfers	Revaluation increments/(decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Capital work in progress	81,987	–	81,987	10,430	16,763	–	–	(56,503)	(598)	–	52,077	–	52,077
Plant and equipment	34,331	(14,930)	19,401	–	2,083	(247)	(1,589)	–	(47)	–	35,538	(15,937)	19,601
Office equipment	7,356	(7,251)	105	–	–	–	(77)	55	–	–	7,411	(7,329)	82
Furniture and fittings	4,330	(3,985)	345	–	–	–	(43)	–	–	–	4,330	(4,029)	301
Land:													
Land	246,496	–	246,496	1	691	–	–	18,999	(2,637)	11,071	274,620	–	274,620
Land improvements – non-depreciable	6,618	–	6,618	–	–	–	–	–	–	–	6,618	–	6,618
Land improvements – depreciable	96,458	(34,695)	61,763	–	4,246	–	(3,214)	8,445	2,637	1,248	114,394	(39,268)	75,126
Infrastructure:													
– Buildings	389,176	(186,060)	203,116	141	6,103	(4,509)	(8,457)	18,580	(240)	6,157	408,752	(187,862)	220,890
– Other structures	28,683	(9,634)	19,049	–	1,062	–	(980)	554	162	(235)	31,025	(11,412)	19,613
– Roads, bridges and footpaths	971,461	(293,043)	678,418	2,378	12,801	(379)	(10,908)	3,740	270	2,964	993,024	(303,740)	689,284
– Stormwater drainage	215,860	(61,681)	154,179	20	3,427	(13)	(2,027)	3,539	(270)	2,264	225,618	(64,500)	161,118
– Water supply network	502,922	(220,255)	282,667	557	3,163	(113)	(7,040)	1,570	–	5,706	516,961	(230,450)	286,511
– Sewerage network	430,771	(198,992)	231,779	727	5,461	(32)	(6,418)	935	47	4,541	445,429	(208,389)	237,040
Other assets:													
– Library books	4,132	(3,381)	751	–	–	–	(157)	–	–	–	4,132	(3,538)	594
– Other	15,480	(296)	15,184	–	431	–	(70)	86	–	(110)	15,996	(477)	15,519
Landfill rehabilitation and cell assets	21,637	(7,532)	14,105	–	–	–	(998)	–	(822)	913	21,782	(8,591)	13,191
Total infrastructure, property, plant and equipment	3,057,698	(1,041,735)	2,015,963	14,254	56,231	(5,293)	(41,978)	–	(1,498)	34,519	3,157,707	(1,085,522)	2,072,185

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C1-6 Infrastructure, property, plant and equipment (continued)

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	Additions new assets	Carrying value of disposals	Depreciation expense	Transfers	Revaluation increments/(decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Capital work in progress	46,648	–	46,648	22,944	38,598	(1,497)	–	(24,706)	–	81,987	–	81,987
Plant and equipment	32,294	(14,393)	17,901	–	2,292	(390)	(1,564)	1,162	–	34,331	(14,930)	19,401
Office equipment	7,356	(7,180)	176	–	–	–	(72)	–	–	7,356	(7,251)	105
Furniture and fittings	4,330	(3,942)	388	–	–	–	(43)	–	–	4,330	(3,985)	345
Land:												
– Operational land	232,434	–	232,434	–	382	–	–	–	13,679	246,496	–	246,496
Land improvements – non-depreciable	6,462	–	6,462	–	–	–	–	156	–	6,618	–	6,618
Land improvements – depreciable	81,000	(30,744)	50,256	623	51	–	(2,524)	10,667	2,687	96,458	(34,695)	61,763
Infrastructure:												
– Buildings	396,572	(234,414)	162,158	421	7,505	(526)	(7,771)	4,241	37,088	389,176	(186,060)	203,116
– Other structures	25,814	(10,547)	15,267	267	303	(43)	(616)	2,735	1,137	28,683	(9,634)	19,049
– Roads	936,436	(275,234)	661,202	4,153	4,617	(431)	(10,579)	2,072	17,384	971,461	(293,043)	678,418
– Stormwater drainage	349,866	(97,225)	252,641	195	1,590	(11)	(1,858)	686	(99,064)	215,860	(61,681)	154,179
– Water supply network	576,879	(300,399)	276,480	1,593	335	(618)	(6,934)	1,741	10,070	502,922	(220,255)	282,667
– Sewerage network	460,362	(226,371)	233,991	519	854	(563)	(6,330)	942	2,366	430,771	(198,992)	231,779
Other assets:												
– Library books	4,132	(3,206)	926	–	–	–	(175)	–	–	4,132	(3,381)	751
– Other	14,764	(280)	14,484	8	407	–	(17)	304	–	15,480	(296)	15,184
– Tip assets	22,761	(6,521)	16,240	–	(2,153)	–	(1,012)	–	1,026	21,637	(7,532)	14,105
Total infrastructure, property, plant and equipment	3,198,110	(1,210,456)	1,987,654	30,723	54,781	(4,079)	(39,495)	–	(13,627)	3,057,698	(1,041,735)	2,015,963

continued on next page ...

C1-6 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Useful lives of IPPE

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

Plant & equipment	Years		Buildings	Years
Plant & equipment	5 to 25		Buildings	15 to 100
Office equipment	3 to 10			
Furniture & fittings	10 to 31			
Water and sewer assets			**Stormwater drainage**	
Water supply network	15 to 100		Stormwater drainage	20 to 120
Sewerage network	5 to 100			
Transportation assets			**Other infrastructure assets**	
Roads, bridges & footpaths	17 to 240		Land improvements	30 to 100
			Library books	10
			Other assets	5 to 50
			Other structures	3 to 100

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council 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 Department of Planning, Industry and Environment – Water.

Land under roads

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. Where the Crown reserves are under a lease arrangement, they are accounted for under AASB 16 Leases.

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.

C1-7 Intangible assets

Intangible assets are as follows:

	2026 $ '000	2025 $ '000
Water Licences		
Opening gross book value at 1 July	**5,250**	5,625
Movements for the year		
– Market adjustment	**(675)**	(375)
Closing values at 30 June		
Gross carrying amount	**4,575**	5,250
Total intangible assets – net carrying amount	**4,575**	5,250

Material accounting policy information

No amortisation costs are applicable, as this asset has an indefinite life.

C1-8 Other

Other assets

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Prepayments	**3,075**	**–**	1,384	–
Other	**4**	**–**	18	–
Total other assets	**3,079**	**–**	1,402	–

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

Council leases land and buildings which are used for various Council functions; the leases are generally between 5 and 25 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

The building leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Plant & Equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses whether it is reasonably certain that the extension options will be exercised.

All potential future lease payments are included in lease liabilities as Council has assessed that the exercise of the options are reasonably certain.

(a) Right of use assets

	Plant & Equipment $ '000	Land & Buildings $ '000	Total $ '000
2026			
Opening balance at 1 July	**261**	**1,824**	**2,085**
Additions	**31**	**76**	**107**
Depreciation charge	**(103)**	**(281)**	**(384)**
Balance at 30 June	**189**	**1,619**	**1,808**
2025			
Opening balance at 1 July	333	1,552	1,885
Additions	25	–	25
Adjustments	13	559	572
Depreciation charge	(109)	(287)	(396)
Balance at 30 June	261	1,824	2,085

(b) Lease liabilities

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Lease liabilities	**451**	**1,597**	381	1,935
Total lease liabilities	**451**	**1,597**	381	1,935

continued on next page ...

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:

	< 1 year $ '000	1 – 5 years $ '000	> 5 years $ '000	Total $ '000	Total per Statement of Financial Position $ '000
2026					
Cash flows	**511**	**668**	**2,287**	**3,466**	**2,048**
2025					
Cash flows	454	1,018	2,370	3,842	2,316

(d) Income Statement

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

	2026 $ '000	2025 $ '000
Interest on lease liabilities	**113**	150
Income from sub-leasing right of use assets	**(37)**	(78)
Depreciation of right of use assets	**376**	396
Expenses relating to short-term leases	**–**	72
Expenses relating to leases of low-value leases	**498**	347
	950	887

(e) Statement of Cash Flows

Total cash outflow for leases	**957**	823
	957	823

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land and buildings which are used for:

- tourism
- education
- child care centres
- public amenities

The leases are generally between 10 and 99 years and require payments of a maximum amount of $1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Material accounting policy information

continued on next page ...

C2-1 Council as a lessee (continued)

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 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.

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

	2026 $ '000	2025 $ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	**1,021**	884
Total income relating to operating leases for Council assets	**1,021**	884

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

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	**1,173**	977
1–2 years	**950**	843
2–3 years	**798**	745
3–4 years	**729**	651
4–5 years	**619**	567
> 5 years	**2,296**	2,672
Total undiscounted lease payments to be received	**6,565**	6,455

C3 Liabilities of Council

C3-1 Payables

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Payables				
Goods and services	**9,143**	**–**	10,969	–
Accrued expenses	**4,586**	**–**	8,874	–
Bonds, deposits and retentions	**5,523**	**–**	3,872	–
Prepaid rates	**3,040**	**–**	2,392	–
Total payables	**22,292**	**–**	26,107	–
Total payables	**22,292**	**–**	26,107	–

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

C3-2 Contract Liabilities

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Grants and contributions received in advance:				
Unexpended grants (received prior to performance obligation being satisfied)	**16,713**	**–**	16,812	–
Total grants received in advance	**16,713**	**–**	16,812	–
Prepaid Burials	**3,682**	**–**	3,232	–
Other advance payments	**752**	**–**	435	–
Total user fees and charges received in advance	**4,434**	**–**	3,667	–
Total contract liabilities	**21,147**	**–**	20,479	–

Notes
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

	2026 $ '000	2025 $ '000
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	**5,725**	4,668
Total revenue recognised that was included in the contract liability balance at the beginning of the period	**5,725**	4,668

Significant changes in contract liabilities
The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control.

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C3-3 Borrowings

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Loans – secured	**6,113**	**71,578**	6,561	86,718
Total borrowings	**6,113**	**71,578**	6,561	86,718

(a) Changes in liabilities arising from financing activities

	2025		Non-cash movements				2026
	Opening Balance $ '000	Cash flows $ '000	Acquisition $ '000	Fair value changes $ '000	Acquisition due to change in accounting policy $ '000	Other non-cash movement $ '000	Closing balance $ '000
Loans – secured	93,279	**(15,588)**	**–**	**–**	**–**	**–**	**77,691**
Lease liability (Note C2-1)	2,316	**(268)**	**–**	**–**	**–**	**–**	**2,048**
Total liabilities from financing activities	95,595	**(15,856)**	**–**	**–**	**–**	**–**	**79,739**

	2024		Non-cash movements				2025
	Opening Balance $ '000	Cash flows $ '000	Acquisition $ '000	Fair value changes $ '000	Acquisition due to change in accounting policy $ '000	Other non-cash movement $ '000	Closing balance $ '000
Loans – secured	63,988	29,291	–	–	–	–	93,279
Lease liability (Note C2-1)	2,051	265	–	–	–	–	2,316
Total liabilities from financing activities	66,039	29,556	–	–	–	–	95,595

C3-3 Borrowings (continued)

(b) Financing arrangements

	2026 $ '000	2025 $ '000
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities	**1,000**	1,000
Corporate credit cards	**250**	250
Total financing arrangements	**1,250**	1,250
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Corporate credit cards	**43**	92
Total drawn financing arrangements	**43**	92
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Bank overdraft facilities	**1,000**	1,000
– Credit cards/purchase cards	**207**	158
Total undrawn financing arrangements	**1,207**	1,158

Additional financing arrangements information

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

Security over loans
Loans are secured over the general income of Council. Lease liabilities are secured by the underlying leased assets.

Bank overdrafts
The bank overdraft of Council is secured over the general income of Council.

Loan covenants
The NSW Treasury Corporation requires Council's consolidated financial statements to adhere to the below loan covenants:
- Debt Service Cover Ratio - the Debt Service Cover Ratio must be at least 1.50:1;
- Interest Cover Ratio - the Interest Cover Ratio must be at least 3.00:1; and
- Unrestricted Cash Expense Ratio - the Unrestricted Cash Expense Ratio must be at least 2 months.

The current Debt Service Coverage Ratio exceeds 1.50:1, due to the early repayment of a $35 million NSW Treasury Corporation loan in the 2026 Financial Year. NSW Treasury Corporation confirmed this repayment would not result in a breach of this covenant

C3-4 Employee benefit provisions

	2026 Current $ '000	2026 Non-current $ '000	2025 Current $ '000	2025 Non-current $ '000
Annual leave	**4,551**	**–**	4,959	–
Long service leave	**5,054**	**1,532**	5,421	946
Total employee benefit provisions	**9,605**	**1,532**	10,380	946

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

	2026 $ '000	2025 $ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	**3,717**	4,385
	3,717	4,385

Material accounting policy information

Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period 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.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

C3-5 Provisions

	2026 Current $ '000	2026 Non-Current $ '000	2025 Current $ '000	2025 Non-Current $ '000
Other				
Landfill Rehabilitation	**–**	**21,288**	–	21,143
Total provisions	**–**	**21,288**	–	21,143

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C3-5 Provisions (continued)

Movements in provisions

	Other provisions	
	Restated landfill rehabilitation $ '000	Total $ '000
2026		
At beginning of year	**21,143**	**21,143**
Changes to provision:		
– Revised discount rate	**9,088**	**9,088**
– Revised costs	**(401)**	**(401)**
– Revised inflation rate	**(6,908)**	**(6,908)**
Unwinding of discount	**968**	**968**
Other	**(2,602)**	**(2,602)**
Total other provisions at end of year	**21,288**	**21,288**
2025		
At beginning of year	22,637	22,637
Changes to provision:		
– Revised discount rate	564	564
– Revised costs	385	385
– Revised inflation rate	192	192
Unwinding of discount	660	660
Other	(3,295)	(3,295)
Total other provisions at end of year	21,143	21,143

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.

Provision for landfill rehabilitation

Estimated landfill rehabilitation costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs.

Provisions for landfill rehabilitation costs do not include any additional obligations that are expected to arise from future disturbance. At each reporting date rehabilitation costs are reassessed to reflect changes in cost estimates, revisions to the estimated lives of operations and discount rates.

Although the actual cost to be incurred is uncertain, Council estimates the respective costs based on current rehabilitation standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the Income Statement in each accounting period. This amortisation of the discount is disclosed as a borrowing cost in Note B3-3. The discount rate used is the risk free borrowing rate applicable to Council.

Other movements in the provision for landfill rehabilitation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised. 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 revaluation reserve is used to record increments and decrements of infrastructure, property, plant and equipment values due to their revaluation.

Other reserves

The intangible assets revaluation reserve is used to record increments and decrements in the value of licences due to their revaluation.

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

	General 2026 $ '000	Water 2026 $ '000	Sewer 2026 $ '000
Income from continuing operations			
Rates and annual charges	63,473	5,800	20,800
User charges and fees	41,606	18,475	5,219
Interest and investment revenue	2,541	3,400	4,335
Other revenues	3,124	19	187
Grants and contributions provided for operating purposes	14,473	10	–
Grants and contributions provided for capital purposes	33,736	3,384	5,591
Other income	1,021	–	–
Total income from continuing operations	159,974	31,088	36,132
Expenses from continuing operations			
Employee benefits and on-costs	59,578	3,249	5,005
Materials and services	37,131	9,942	11,720
Borrowing costs	4,231	–	177
Other expenses	2,529	–	–
Net losses from the disposal of assets	5,024	113	32
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	108,493	13,304	16,934
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	51,481	17,784	19,198
Depreciation, amortisation and impairment of non-financial assets	28,533	7,134	6,695
Net operating result for the year	22,948	10,650	12,503
Net operating result for the year before grants and contributions provided for capital purposes	**(10,788)**	**7,266**	**6,912**

D1-2 Statement of Financial Position by fund

	General 2026 $ '000	Water 2026 $ '000	Sewer 2026 $ '000
ASSETS			
Current assets			
Cash and cash equivalents	27,846	–	–
Investments	61,300	28,650	58,688
Receivables	14,476	7,096	9,511
Inventories	577	431	29
Other	2,807	101	171
Total current assets	107,006	36,278	68,399
Non-current assets			
Investments	–	56,327	34,370
Inventories	7,061	–	–
Infrastructure, property, plant and equipment	1,488,144	304,150	279,891
Intangible assets	427	4,148	–
Right of use assets	1,808	–	–
Total non-current assets	1,497,440	364,625	314,261
Total assets	1,604,446	400,903	382,660
LIABILITIES			
Current liabilities			
Payables	21,894	157	241
Contract liabilities	21,147	–	–
Lease liabilities	451	–	–
Borrowings	6,647	–	655
Employee benefit provision	8,816	348	441
Total current liabilities	58,955	505	1,337
Non-current liabilities			
Lease liabilities	1,597	–	–
Borrowings	103,023	–	1,506
Employee benefit provision	814	327	391
Provisions	21,288	–	–
Total non-current liabilities	126,722	327	1,897
Total liabilities	185,677	832	3,234
Net assets	1,418,769	400,071	379,426
EQUITY			
Accumulated surplus	525,839	226,249	249,373
IPPE revaluation reserves	892,930	173,822	130,053
Total equity	1,418,769	400,071	379,426

D2 Interests in other entities

D2-1 Interests in associates

Summarised financial information for individually immaterial associates

Council has an interest in the Wonga Wetlands Conservation Association, which is not considered individually material.

The table below summarises the financial information of this immaterial associate.

	2026 $ '000	2025 $ '000
Carrying amount	**3**	(2)
Council's share in profit/(loss) from continuing operations [1]	**3**	(2)

(1) During the current reporting period, Council reassessed its interest in the Murray Art Museum Albury (MAMA). Following this assessment, MAMA has been determined to form part of Council's reporting entity and its operations, assets, liabilities, income and expenses are included within these financial statements. Accordingly, MAMA is no longer disclosed as an associate.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out in accordance with policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

Council's principal objective is to preserve capital, while maintaining an adequate level of liquidity, whilst seeking to optimise its return on cash and investments.

Council has an investment policy which complies with s.625 of the *Local Government Act 1993* and Ministerial Investment Order. This policy is regularly reviewed by Council and a monthly Investment Balances Report is provided to Council setting out the make-up and performance of the portfolio.

Council's investments are mainly represented by fixed interest term deposits.

The risks associated with the financial instruments held are:

- Market risk - interest rate risk – the risk that movements in interest rates could affect returns and income.
- 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.
- Liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.

(a) Market risk – interest rate and price risk

	2026	2025
	$ '000	$ '000
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	**2,052**	1,723

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

(b) Credit risk

Council's major receivables comprise rates, annual charges, 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 other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

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.

	Not yet due $ '000	Overdue < 5 years $ '000	overdue rates and annual charges - ≥ 5 years $ '000	Total $ '000
2026				
Receivables – rates and annual charges	**–**	**12,907**	**682**	**13,589**
2025				
Receivables – rates and annual charges	–	10,985	582	11,567

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.

	Not yet overdue $ '000	Overdue debts 0 - 30 days $ '000	31 - 60 days $ '000	61 - 90 days $ '000	> 90 days overdue $ '000	Total $ '000
2026						
Gross carrying amount	**14,048**	**2,467**	**637**	**93**	**1,310**	**18,555**
Expected loss rate (%)	**0.21%**	**0.23%**	**0.69%**	**0.12%**	**77.95%**	**5.72%**
ECL provision	**30**	**6**	**4**	**–**	**1,021**	**1,061**
2025						
Gross carrying amount	14,708	2,026	716	211	1,645	19,306
Expected loss rate (%)	0.50%	0.62%	1.25%	1.82%	70.64%	6.53%
ECL provision	74	13	9	4	1,162	1,262

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

(c) Liquidity risk

Payables, lease liabilities and borrowings are subject to liquidity risk; that is, 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 by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. 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 for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
	%	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
2026							
Payables	**0.00%**	**8,563**	**16,866**	**–**	**–**	**25,429**	**22,292**
Borrowings	**3.73%**	**–**	**9,945**	**33,526**	**70,035**	**113,506**	**77,691**
Total financial liabilities		**8,563**	**26,811**	**33,526**	**70,035**	**138,935**	**99,983**
2025							
Payables	0.00%	6,264	20,026	–	–	26,290	26,107
Borrowings	3.58%	–	11,083	39,024	86,215	136,322	93,279
Total financial liabilities		6,264	31,109	39,024	86,215	162,612	119,386

E2-1 Fair value measurement

The Council measures the following assets and liabilities at fair value on a recurring basis:

– Infrastructure, property, plant and equipment
– Intangible assets

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition or measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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E2-1 Fair value measurement (continued)

	Notes	Date of latest valuation 2026	Date of latest valuation 2025	Fair value measurement hierarchy: Level 1 Quoted prices in active mkts 2026 $ '000	Level 1 2025 $ '000	Level 2 Significant observable inputs 2026 $ '000	Level 2 2025 $ '000	Level 3 Significant unobservable inputs 2026 $ '000	Level 3 2025 $ '000	Total 2026 $ '000	Total 2025 $ '000
Recurring fair value measurements											
Water License		30/06/26	30/06/25	**4,575**	5,250	**–**	–	**–**	–	**4,575**	5,250
Total Intangible assets				**4,575**	5,250	**–**	–	**–**	–	**4,575**	5,250
Infrastructure, property, plant and equipment	C1-6										
– Plant and equipment		Various	Various	**–**	–	**–**	–	**19,601**	19,401	**19,601**	19,401
– Office equipment, furniture & fittings		Various	Various	**–**	–	**–**	–	**384**	450	**384**	450
– Land		30/06/25	30/06/25	**–**	–	**–**	–	**274,620**	246,496	**274,620**	246,496
– Land improvements – non depreciable		Various	Various	**–**	–	**–**	–	**6,618**	6,618	**6,618**	6,618
– Land improvements – depreciable		Various	Various	**–**	–	**–**	–	**75,125**	61,763	**75,125**	61,763
– Buildings		30/06/25	30/06/25	**–**	–	**–**	–	**220,889**	203,116	**220,889**	203,116
– Other structures		30/06/25	30/06/25	**–**	–	**–**	–	**19,613**	19,049	**19,613**	19,049
– Roads, bridges and footpaths		30/06/24	30/06/24	**–**	–	**–**	–	**689,284**	678,418	**689,284**	678,418
– Stormwater drainage		30/06/25	30/06/25	**–**	–	**–**	–	**161,118**	154,179	**161,118**	154,179
– Water supply networks		30/06/24	30/06/24	**–**	–	**–**	–	**286,511**	282,667	**286,511**	282,667
– Sewerage network		30/06/24	30/06/24	**–**	–	**–**	–	**237,040**	231,779	**237,040**	231,779
– Landfill rehabilitation and cell assets				**–**	–	**–**	–	**13,191**	14,105	**13,191**	14,105
– Library books		Various	Various	**–**	–	**–**	–	**594**	751	**594**	751
– Other		Various	Various	**–**	–	**–**	–	**15,520**	15,184	**15,520**	15,184
Total infrastructure, property, plant and equipment				**–**	–	**–**	–	**2,020,108**	1,933,976	**2,020,108**	1,933,976

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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:

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings
Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated historical cost.

The carrying amount of these assets approximates fair value due to the nature of the items. Council values Plant & Equipment, Office Equipment and Furniture & Fittings using unobservable Level 3 inputs including gross historical cost, estimated useful life of the asset and residual value.

Land
This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993.

During 2025/26 Land - Operational assets have been indexed using Desktop Indexation Assessment 2026 undertaken by private valuer (JLL). The assessment is in accordance with Australian Accounting Standards, including AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment, as well as Local Government Act and accompanying regulations. A full independent valuation was undertaken in 2024/25.

Where direct comparable sales evidence is used to value a parcel of land it is classed as a Level 2 input.

Where direct sales are adjusted to reflect differences between the market evidence and the asset being valued, the adjustment constitutes a Level 3 input. Typically this might be where the Valuer is reflecting zoning differences, lot size and land use.

The majority of land assets are assessed on the basis of Level 3 inputs due to the adjustment of market evidence by the Valuer to reflect fair value.

Under the NSW Local Government Act 1993 land classified as Community Land cannot be sold or used for a purpose other than that described by the plan of land management that it is held under.

During 2025/26 Community Land assets have been indexed using the Desktop Indexation Assessment 2026 prepared by private valuer (JLL). The most recent comprehensive valuation was undertaken in 2024/25.

The valuation of Community Land has been assessed by using Level 3 inputs due to the landholdings being held for civic and public uses which are property types that are rarely traded on the open market.

As direct sales have been adjusted to reflect differences between the market evidence and the asset being valued, the adjustment constitutes a Level 3 input. Typically this might be where the Valuer is reflecting zoning differences, lot size and land use.

During 2025/26 - Land under Roads was indexed using the nominal indexation category derived from the Desktop Indexation Assessment 2026 by private valuer (JLL).

Land under roads has been valued using Level 3 inputs including the unit rate per square metre.

Land Improvements - Non Depreciable
This asset class comprises land improvements such as bulk earthworks, which are often in parks forming natural amphitheatres and have an undeterminable life.

Land Improvements are valued using historical cost. Land Improvements - Non Depreciable have been valued using unobservable Level 3 inputs including gross historical cost. During 2025/26 Land Improvements – Non Depreciable assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

Land Improvements - Depreciable
This asset class comprises land improvements such as landscaping, dams and other costs associated with land that will need to be removed or replaced in future periods.

Land Improvements are valued using depreciated historical cost. Council values Land Improvements – Depreciable using unobservable Level 3 inputs including gross historical cost and estimated useful life of the asset. During 2025/26 Land Improvements – Depreciable assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

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E2-1 Fair value measurement (continued)

Buildings
In 2025/26, Buildings were indexed using Australian Bureau of Statistics Price Index ABS 6427 - Class Building Construction New South Wales. Latest revaluation was carried out in July 2024 by JLL.

Where direct comparable sales evidence is available the building is valued using observable Level 2 inputs. Consistent with the valuation methodology adopted by JLL, Council's building assets are classified as Level 3 in the fair value hierarchy due to the significance of unobservable inputs used in determining fair value.

Where buildings are of a type or use that is not normally traded, the Current Replacement Cost valuation method is applied using unobservable Level 3 inputs such as gross replacement cost, asset condition, estimated useful life of the asset and residual value.

Council values the majority of its Buildings by using unobservable Level 3 inputs.

Other Structures
Other Structures include playground equipment, shade structures and bus shelters. This asset class comprises all other structures not included in the category of Buildings that are controlled by the Council.

During 2025/26 Other Structures assets were indexed using relevant Australian Bureau of Statistics Price Indexes. These assets were comprehensively revalued during 2024/25 by JLL.

Unobservable Level 3 inputs included gross replacement cost, asset condition and estimated useful life of the asset.

Roads
This asset class comprises road asset components of pavement, seal, footpath and kerb and gutter.

During 2025/2026 Road Infrastructure assets have been indexed utilising the Australian Bureau of Statistics Price Indexes.

A full revaluation of Road Assets was undertaken in 2023/24.

Council values Roads using Level 3 inputs including gross replacement cost, asset condition and estimated useful life.

Drainage Infrastructure
This asset class comprises structures, pipes, flood pumps, levees and open channels.

During 2025/26, Drainage Infrastructure assets were indexed using Australian Bureau of Statistics price index ABS 6427 – Class 3109 – Other Heavy and Civil Engineering.

Asset dimensions have been derived from a combination of field survey and works as executed plan sets.

Council values Drainage Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Sewerage Infrastructure
This asset class comprises structures, pipes, pump stations and treatment works.

This class of assets was valued by the Council in 2025/26 using the Department of Primary Industries - Office of Water NSW reference rates manual.

A revaluation of Sewerage Infrastructure was undertaken in 2023/24.

Council values Sewerage Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Water Infrastructure
This asset class comprises meters, pipe network, supply reservoirs, pump stations and filtration plant.

This class of assets was valued by Council in 2025/2026 using the Department of Primary Industries - Office of Water NSW reference rates manual.

A revaluation of Water Infrastructure was undertaken in 2023/24.

Council values Water Infrastructure using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

Landfill Rehabilitation & Cell Construction

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E2-1 Fair value measurement (continued)

The landfill remediation asset is accounted for using the fair value model. The fair value of this asset represents the initial estimate to rehabilitate the Albury landfill cells, adjusted to reflect changes to the landfill rehabilitation provision. The carrying amount of these assets approximates fair value due to the nature of the items.

Library Books
Library Books are valued using Depreciated Historical Cost. The carrying amount of these assets approximates fair value due to the nature of the items.

Council values Library Books using Level 3 inputs including gross historical cost and estimated useful life of the asset.

Other
Other assets include specialised sporting and leisure/cultural equipment and community initiatives. The carrying value of these assets is at Depreciated Replacement Cost which approximates fair value.

Council values Other Assets using Level 3 inputs including gross replacement cost, asset condition and estimated useful life of the asset.

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E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

	Total	
	2026	2025
	$ '000	$ '000
Opening balance	**1,933,977**	1,941,008
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	**34,510**	(13,624)
Other movements		
Transfers from/(to) another asset class	**(900)**	24,706
Purchases (GBV)	**99,793**	23,962
Disposals (WDV)	**(5,293)**	(2,582)
Depreciation and impairment	**(41,979)**	(39,493)
Closing balance	**2,020,108**	1,933,977

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E2-1 Fair value measurement (continued)

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:
Council has no movements in and out of Level 3

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
Council is party to an Industry Defined Benefit Plan under Active Super – 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 formula 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% of salary
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 current level of SG contributions, which are paid in addition to members' defined benefits.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2026.

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 (Council) 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 additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2026 was $105,828.70. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2025.

Council's expected contribution to the plan for the next annual reporting period is $109,437.87.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2026 is:

Employer reserves only *	$millions	Asset Coverage

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E3-1 Contingencies (continued)

Assets	2,127.6	
Past Service Liabilities	1,966.9	108.2%
Vested Benefits	2,007.4	106.0%

* excluding other accumulation accounts and reserves in both assets and liabilities.

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

Investment return	6.25% per annum
Salary inflation	4.0% 2026/27 4.0% 2027/28 4.0% 2028/29 3.5% p.a. thereafter
Increase in CPI	4.1% 2025/26 3.75% 2026/27 2.5% p.a. thereafter

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 the Funds Actuary, the final end of year review will be completed by December 2026.

(ii) Statewide Limited
Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) 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.

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.

S7 plans

Council levies section 7 contributions upon various development across the Council area through the required contributions plans.
As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

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E3-1 Contingencies (continued)

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

(ii) Potential land acquisitions due to planning restrictions imposed by Council
At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions have 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 June 2008.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly.This includes Councillors, the Chief Executive Officer and Deputy Chief Executive Officers.

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

	2026	2025
	$ '000	$ '000
Compensation:		
Short-term benefits	**1,595**	1,270
Post-employment benefits	**153**	110
Other long-term benefits	**44**	21
Total	**1,792**	1,401

continued on next page ...

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

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool) will not be disclosed.

Nature of the transaction	Ref	Transactions during the year $ '000	Outstanding balances including commitments $ '000	Terms and conditions [#1]
2026				
Interest income	1	**698**	**–**	
Rental expense		**215**	**–**	
Vehicle and parts	1	**7**	**–**	30 day creditor payment terms
Carpet installation	1	**29**	**–**	30 day creditor payment terms
2025				
Interest income	1	436	–	
Rental expense		144	–	
Vehicle and parts	1	266	–	30 day creditor payment terms
Carpet installation	1	–	–	30 day creditor payment terms

(#1) Transactions with related parties have been undertaken in the ordinary course of business under the same terms and conditions as transactions with non – related parties.

F1-2 Councillor and Mayoral fees and associated expenses

	2026 $ '000	2025 $ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	**69**	69
Councillors' fees	**289**	261
Other Councillors' expenses (including Mayor)	**48**	59
Total	**406**	389

F1-3 Other related parties

	Transactions during the year $ '000	Outstanding balances including commitments $ '000	Terms and conditions [#1]
2026			
Expenses			
-Riverina and Murray Joint Organisation membership fees	**57**	**–**	-
Income			
-Riverina and Murray Joint Organisation regional waste project	**39**	**–**	-
-Rental income from Riverina and Murray Joint Organisation	**30**	**–**	-
2025			
Expenses			
-Riverina and Murray Joint Organisation membership fees	52	–	-
Income			
-Riverina and Murray Joint Organisation regional waste project	470	–	-
-Rental income from Riverina and Murray Joint Organisation	37	–	-

(#1) Transactions with related parties have been undertaken in the ordinary course of business under the same terms and conditions as transactions with non – related parties.

F2 Other relationships

F2-1 Audit fees

	2026 $ '000	2025 $ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Audit and other assurance services: Auditors of the Council - NSW Auditor-General:		
Audit of financial statements	**175**	148
Remuneration for audit and other assurance services	**175**	148
Total fees paid or payable to the Auditor-General	**175**	148

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

	2026 $ '000	2025 $ '000
Net operating result from Income Statement	**46,101**	18,162
Depreciation and amortisation	**42,362**	39,891
Losses/(gains) on disposal of assets	**5,169**	3,587
Non-cash capital grants and contributions	**(20,574)**	(11,088)
Unwinding landfill rehabilitation provision discount rate	**968**	660
Movement in operating assets and liabilities:		
(Increase) / decrease of receivables	**(1,271)**	782
Increase / (decrease) in provision for impairment of receivables	**(201)**	165
(Increase) / decrease of inventories	**(25)**	(87)
(Increase) / decrease of other current assets	**(1,677)**	(12)
Increase / (decrease) in payables	**(1,826)**	5,820
Increase / (decrease) in other accrued expenses payable	**(4,288)**	2,330
Increase / (decrease) in other liabilities	**2,299**	(949)
Increase / (decrease) in contract liabilities	**668**	816
Increase / (decrease) in employee benefit provision	**(189)**	1,259
Increase / (decrease) in other provisions	**(823)**	(2,154)
Net cash flows from operating activities	**66,693**	59,182

(b) Non-cash investing and financing activities

Child care	**–**	2,251
Commonwealth land	**1,700**	–
Community facilities	**–**	3,973
Crown land	**–**	–
Donated Artwork	**420**	407
Developer contributions ‘in kind’ (General Fund)	**14,508**	3,304
Developer contributions ‘in kind’ (Water Fund)	**1,424**	306
Developer contributions ‘in kind’ (Sewer Fund)	**2,522**	847
Total non-cash investing and financing activities	**20,574**	11,088

G2-1 Commitments

Capital commitments (exclusive of GST)

	2026 $ '000	2025 $ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Albury Airport - Taxiway Charlie Extension	**–**	1,155
Albury Main Sewer Pump Station	**1,478**	–
Albury Entertainment Centre	**31,673**	–
Kerr Road Reconstruction Stage 5	**5,972**	–
Lavington Drainage Reconstruction	**157**	–
Lauren Jackson Sports Centre refurbishment	**–**	4,011
Main Sewer Pump Station & Rising Mains	**–**	3,812
Sarvaas Park Sports Ground Lighting	**403**	–
Thurgoona Water Main - Design Pipelines & Tanks	**838**	–
Water Treatment Plant A Upgrade	**–**	425
Water Treatment Plant B Upgrade	**4,789**	–
Waterview 2	**297**	–
World War II Memorial Bowl Upgrade	**–**	1,298
Total commitments	**45,607**	10,701
These expenditures are payable as follows:		
Within the next year	**34,934**	10,701
Total payable	**34,934**	10,701

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

	Opening balance at 1 July 2025	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2026
		Cash	Non-cash Land	Non-cash Other				
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Drainage	7	6	–	–	–	(13)	–	–
Roads	–	229	–	–	–	(229)	–	–
Parking	855	795	–	–	57	–	–	1,707
Community facilities	–	126	–	–	–	(126)	–	–
Open space	–	73	–	–	–	(73)	–	–
Thurgoona/Wirlinga	3,905	1,864	–	–	218	–	–	5,987
Nexus	302	50	–	–	15	–	–	367
S7.11 contributions – under a plan	5,069	3,143	–	–	290	(441)	–	8,061
S7.12 levies not under a plan	1,490	1,150	–	–	93	–	–	2,733
Total S7.11 and S7.12 revenue	6,559	4,293	–	–	383	(441)	–	10,794
S.64 Contributions	4,373	4,784	–	–	169	(6,000)	–	3,326
Total contributions	10,932	9,077	–	–	552	(6,441)	–	14,120

Under the *Environmental Planning and Assessment Act 1979*, local infrastructure contributions, also known as developer contributions, are charged by councils when new development occurs. They help fund infrastructure like parks, community facilities, local roads, footpaths, stormwater drainage and traffic management. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

End of the audited financial statements

INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Albury City Council

To the Councillors of Albury City Council

Opinion

I have audited the accompanying financial statements of Albury City Council (the council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2026, the Statement of Financial Position as at 30 June 2026, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of the Division
  - are, in all material respects, consistent with the council's accounting records
  - present fairly, in all material respects, the financial position of the council as at 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's responsibilities for the audit of the financial statements' section of my report.

I am independent of the council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other information

The council's annual report for the year ended 30 June 2026 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and special schedules (the schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The councillors' responsibilities for the financial statements

The councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the council carried out its activities effectively, efficiently and economically
- on the original budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations'
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 October 2026
SYDNEY

Cr Kylie King
Mayor
Albury City Council
PO Box 323
ALBURY NSW 2640

Contact: Sue Prichard
Phone no: 02 8280 5637
Our ref: R008-266507568-13818

28 October 2026

Dear Mayor

Report on the Conduct of the Audit

for the year ended 30 June 2026

Albury City Council

I have audited the general purpose financial statements (GPFS) of the Albury City Council (the Council) for the year ended 30 June 2026 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

Basis of this report

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2026 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2025-26
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

Income statement

Financial performance

	2026 $m	2025 $m	Variance %
Rates and annual charges revenue	90.1	85.1	5.9
Grants and contributions provided for operating purposes revenue	14.5	8.2	76.8
Grants and contributions provided for capital purposes revenue	42.7	30.9	38.2
Operating result from continuing operations	46.1	18.2	153.3
Net operating result for the year before grants and contributions provided for capital purposes	3.4	(12.8)	126.6

Operating result from continuing operations

This graph shows the operating result from continuing operations for the current and prior two financial years.

Operating result from continuing operations for the year was $27.9 million higher than the 2024-25 result as:

- grants and contributions revenue increased by $18.1 million, mainly due to a $14.0 million increase in contributed-assets (subdivision dedications) and $3.8 million increase in developer-contributed cash.
- User charges and fees increased by $8.4 million, mainly due to higher non-domestic waste management charges ($4.4 million), water supply charges ($1.0 million) and airport fees ($0.7 million).



The net operating result before grants and contributions provided for capital purposes was a surplus of $3.4 million, compared with a loss of $12.8 million in 2024-25.

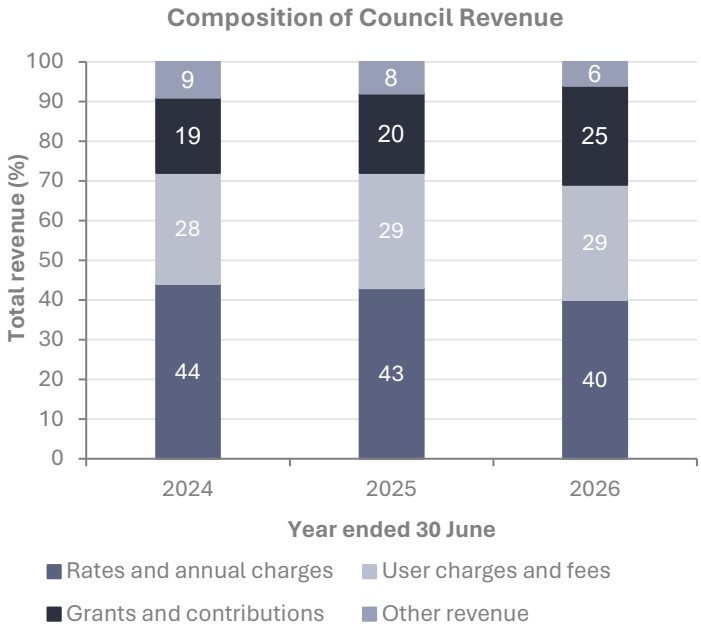
Income

Council revenue

This graph shows the composition of Council's revenue recognised for the current and prior two financial years.

Revenue ($227.2 million) increased by $29.6 million (15.0 %) in 2025-26 due to:

- rates and annual charges revenue ($90.1 million) which increased by $5.0 million mainly due to a 4.1% rate peg increase.
- user charges and fees revenue ($65.3 million) which increased by $8.4 million mainly due to an increase in waste management services (non-domestic) of $4.4 million.
- grants and contributions revenue ($57.2 million) which increased by $18.1 million mainly due to higher contributed assets (subdivision dedications) and grants received during the year.



Cash flows

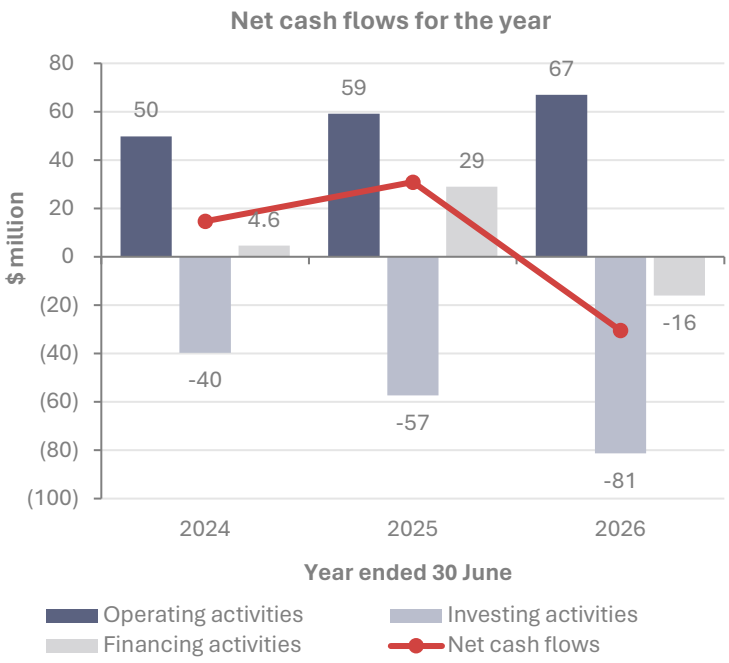
Statement of Cash Flows

The Statement of Cash Flows details the Council's cash inflows and outflows. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows for 2025-26 were negative $30.5 million. In 2025-26:

- net cash flows from operating activities increased by $7.5 million, mainly due to higher receipts from user charges and fees, grants and contributions, and rates and annual charges, partly offset by higher payments to employees, and payments for materials and services.
- net cash flows used in investing activities increased by $24.0 million to $81.3 million, mainly due to the acquisition of term deposits.
- net cash flows from financing activities decreased by $44.9 million, mainly due to the repayment of a $35.0 million TCorp loan.



Financial position

Cash, cash equivalents and investments

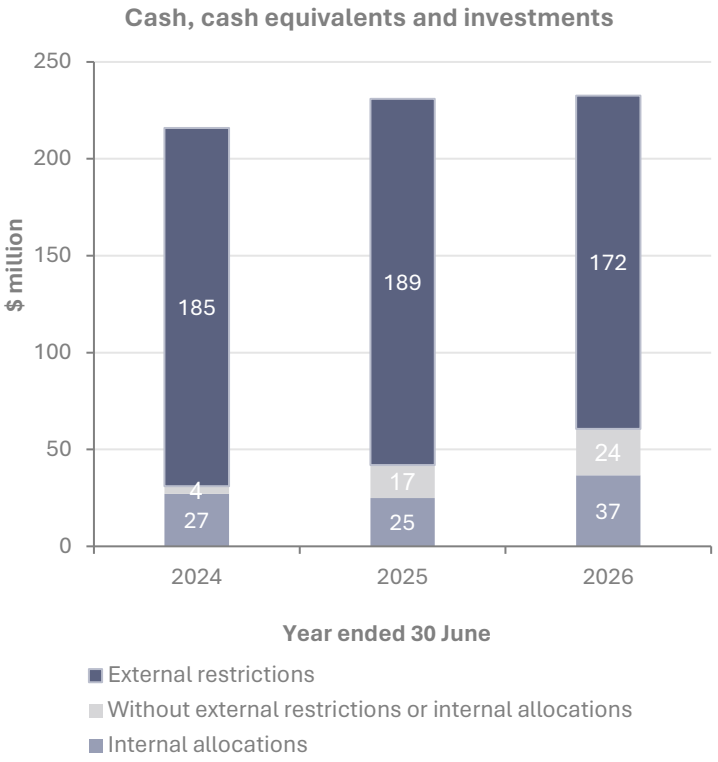
Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

Cash, cash equivalents and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

This graph shows the amount of cash, cash equivalents and investments with external restrictions, internal allocations, and those with neither as at 30 June 2026 and prior two financial years.

Cash, cash equivalents and investments increased by $2.3 million to $233.0 million at 30 June 2026 ($230.7 million in 2024-25):

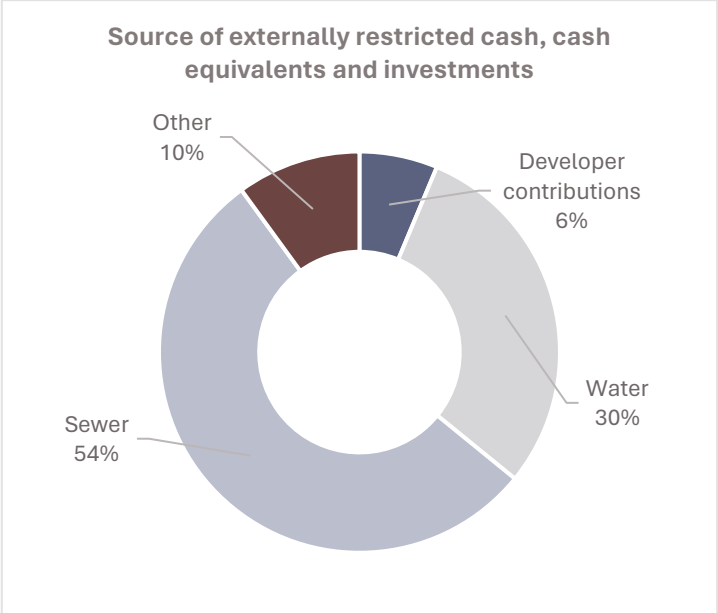
- external restrictions decreased by $16.7 million to $172.3 million, mainly due to a $24.7 million decrease in restricted water supply funds offset by increases in developer contributions - general, and sewer fund restrictions.
- internal allocations increased by $11.7 million to $36.6 million, mainly due to an increase in TCorp Loan Funds Restricted for Specific Capital Projects' for $4.2 million and $2.9 million increase in Financial Assistance Grant received in advance during the year.
- cash, cash equivalents and investments without external restrictions or internal allocations increased by $7.3 million to $24.1 million mainly due to higher net cash generated from operating activities.



This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2025-26, the Council's main sources of externally restricted cash, cash equivalents and investments include:

- developer contributions of $10.8 million, which increased by $4.2 million.
- water supply reserve of $50.8 million, which decreased by $24.7 million.
- sewer fund reserve of $93.1 million, which increased by $4.0 million.
- Other externally restricted cash, cash equivalents and investments comprise specific-purpose unexpended grants of approximately $17.2 million and domestic waste management funds of $0.4 million.



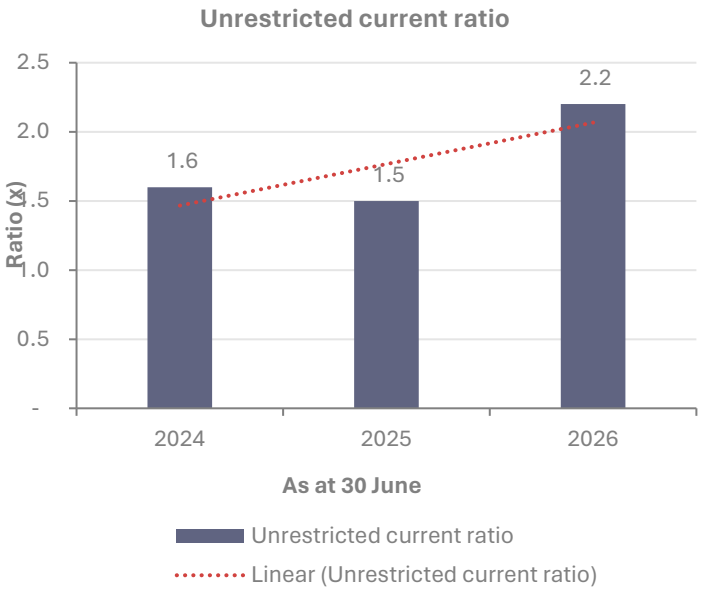
Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. It measures the ratio of unrestricted current assets to current liabilities less specific-purpose liabilities.

In 2024-25, the average unrestricted current ratio was 2.6x for regional councils.

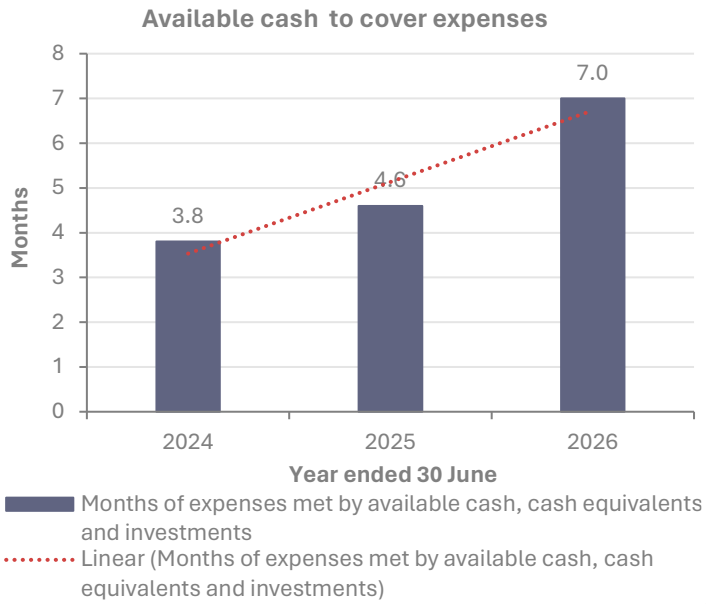
Council's current assets increased by $21.3 million, mainly as a result of an increase in current financial investments of $48.7 million as investments moved from non-current to current, partly offset by a $30.5 million decrease in cash and cash equivalents. Council's current liabilities decreased by $4.3 million, mainly as a result of decreases in payables of $3.8 million and employee benefit provisions of $0.8 million.



This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs) Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

At 30 June 2026, Council had available cash to cover 7.0 months of general fund expenses.

The increase mainly reflects cash and investments available without external restrictions increasing by $19.0 million to $60.7 million during 2025-26.

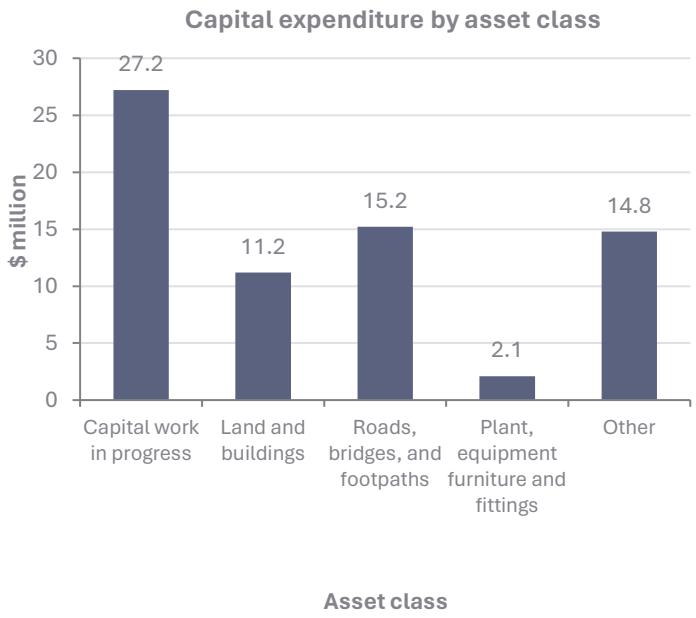


Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2025-26.

Council renewed $14.3 million of infrastructure, property, plant and equipment during 2025-26. This was mainly spent on capital work in progress ($10.4 million), roads, bridges and footpaths ($2.4 million), sewerage network ($0.7 million) and water supply network ($0.6 million).

Council purchased $56.2 million of new infrastructure, property, plant and equipment assets. This was mainly spent on capital work in progress ($16.8 million), roads, bridges and footpaths ($12.8 million), buildings ($6.1 million) and sewerage network ($5.5 million).



Debt

At 30 June 2026, Council had $77.7 million in loans outstanding with financial institutions (2025: $93.3 million). During 2025-26, Council received $25.0 million in new borrowings and repaid $40.6 million. Council uses borrowings to finance capital projects.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General