

**INDEPENDENT AUDITOR'S REPORT TO
UPPER LACHLAN SHIRE COUNCIL AND GULLEN RANGE PTY LTD**

We have audited:

- (a) the accompanying statement of receipts and payments of Upper Lachlan Shire Council for the year ended 30 June 2019, which has been prepared by management using the cash basis of accounting; and
- (b) Upper Lachlan Shire Council's compliance with the terms of the Program Agreement between Upper Lachlan Shire Council and Gullen Range Pty Ltd, dated 16th October 2013 for the year ended 30 June 2019 (the Agreement).

We have:

- (a) Reviewed the monetary contributions paid by Gullen Range Pty Ltd; and
- (b) Reviewed the payments made by Upper Lachlan Shire Council; and
- (c) Identified any corrective payments required.

Management's Responsibility

Management is responsible for:

- (a) The preparation and fair presentation of the statement of receipts and payments in accordance with the cash basis of accounting; this including determining that the cash basis of accounting is an acceptable basis for the preparation of the statement of receipts and payments in accordance with the Agreement;
- (b) Compliance with the terms of the Agreement; and
- (c) Such internal control as management determines is necessary to:
 - (i) Enable the preparation and fair presentation of the statement of receipts and payments report that is free from material misstatement, whether due to fraud or error; and
 - (ii) Enable compliance with the terms of the Agreement.

Auditor's Responsibility

Our responsibilities are to express an opinion, based on our audit, on;

- (a) the statement of receipts and payments; and
- (b) Upper Lachlan Shire Council's compliance, in all material respects, with the terms of the Agreement; and

We conducted our audit of the statement of receipts and payments in accordance with Australian Auditing Standards and our audit of compliance with the Agreement in accordance with ASAE 3100. The applicable Standards require that we comply with relevant ethical requirements and plan and perform our work to obtain reasonable assurance about whether the statement of receipts and payments is free from material misstatement and that Upper Lachlan Shire Council has complied, in all material respects, with the terms of the Agreement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of receipts and payments and about the Council's compliance with the Agreement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement of receipts and payments, and to the entity's compliance with the Agreement, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management, as well as evaluating the overall presentation of the statement of receipts and payments.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the statement of receipts and payments presents fairly, in all material respects, the income and expenditure of the Gullen Range Wind Farm Community Enhancement Program for the year ended 30 June 2019 in accordance with the terms of the Agreement dated 16th October 2013 with Gullen Range Pty Ltd and
- (b) Upper Lachlan Shire Council has, in all material respects, complied with the requirements of the Agreement between Council and Gullen Range Pty Ltd dated 16th October 2013, for the year ended 30 June 2019.

Other Matter

Without modifying our opinion, we note that funding totalling \$16,065.95 was approved for the Kiamma Creek Landcare Group during the year ended 30 June 2018. Upper Lachlan Shire Council oversaw these works, which involved the replacement of the existing stone steps with a wheelchair accessible concrete ramp leading to the Kiamma Creek Reserve. As a result of Council's oversight, the payments to the suppliers and contractors involved in this program were made by Council, rather than the funds being transferred to the Kiamma Creek Landcare Group. However, Council has omitted to transfer the approved funding of \$16,065.95 from the Community Enhancement Fund to reimburse itself for this expenditure in either the year ended 30 June 2018 or 30 June 2019. Council should make this adjustment during the year ending 30 June 2020.

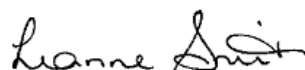
Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the fact that the statement of receipts and payments has been prepared on a cash basis of accounting. It has been prepared to provide information to Upper Lachlan Shire Council and Gullen Range Pty Ltd in accordance with the Agreement dated 16th October 2013. As a result, the statement of receipts and payments may not be suitable for another purpose and should not be distributed to or used by parties other than Upper Lachlan Shire Council and Gullen Range Pty Ltd.



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328 Stewart Street
Bathurst
Dated: 21 July 2020



LR Smith
Director

Gullen Range Wind Farm
Community Enhancement Program
Statement of Receipts and Payments
For the year ended 30 June 2019

	2019	2018
	\$	\$
Contributions received from New Gullen Range Wind Farm Pty Ltd	71,038.56	-
Total receipts	<u>71,038.56</u>	<u>-</u>
Audit Fees	1,050.00	1,000.00
Jrnl Council Admin Fees to Town Planning Income	5,841.12	5,202.02
Receipt of funds returned unspent	(20,909.10)	-
Total sundry transactions	<u>(14,017.98)</u>	<u>6,202.02</u>
<u>Payments to Community Groups</u>		
Bannister District Hall Associ		10,000.00
Crookwell Progress Association		980.00
Crookwell Lions Club Inc		10,000.00
Grabben Gullen Hall & Recreati		14,140.00
Crookwell Golf Club		20,909.09
Crookwell View Club	2,695.00	
Kiamma Creek Landcare Council Committee	8,000.00	
Bannister District Hall Associ	20,000.00	
Grabben Gullen Hall & Recreati	15,000.00	
Crookwell/Taralga Aged Care Lt	2,500.00	
Crookwell Neighbourhood Centre	11,363.64	
CWA	9,054.55	
Total payments	<u>68,613.19</u>	<u>56,029.09</u>
Net result for the year	<u>16,443.35</u>	<u>(62,231.11)</u>
Surplus/(deficit) carried forward from the year ended 30 June 2018	2,379.38	64,610.49
Surplus/(deficit) carried forward to year ending 30 June 2019	<u>18,822.73</u>	<u>2,379.38</u>