

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

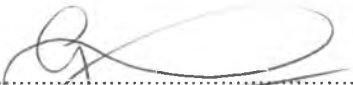
**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

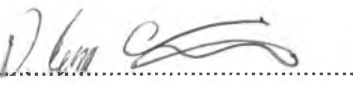
**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

STATE EXECUTIVE'S CERTIFICATE

We, **GLEN MCATEAR** and **DAVID CRAWFORD**, being two members of the State Executive of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, do state on behalf of the State Executive, and in accordance with a resolution passed by the State Executive that:

- (i) In the opinion of the State Executive, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2019.
- (ii) In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2019, in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the State Executive, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991, in relation to the financial report in respect of the year ended 31 December 2019 and the Auditors' Report, thereon.


.....
Glen McAtear
President


.....
David Crawford
Treasurer

13th July 2020

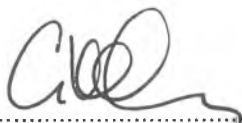
**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

ACCOUNTING OFFICER'S CERTIFICATE

I, **GRAEME KELLY**, being the Officer responsible for keeping the accounting records of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, certify that as at 31 December 2019, the number of members of the Union was 29,985.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2019.
- (ii) A record has been kept of all monies paid by or collected from members, by duly authorised representatives of the Union and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union.
- (iii) Approval for expenditure incurred by the Union, was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act, 1996.



.....
GRAEME KELLY
General Secretary

13th July 2020

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 \$	2018 \$
INCOME			
Contributions		13,980,811	13,570,103
Accommodation		752,251	715,295
Distributions from Financial Assets		27,358	20,279
Dividends		230,049	232,230
Training Income		1,154	11,575
Interest		639,788	615,215
Picnic Income		169,266	162,264
Rent		90,105	67,477
Superannuation Directors' Fees		17,990	42,274
Sundry Income		102,178	200,010
		<hr/>	<hr/>
TOTAL INCOME		16,010,950	15,636,722
LESS EXPENDITURE			
DEPRECIATION			
		<hr/>	<hr/>
		774,803	701,109
EMPLOYEE BENEFITS EXPENSE			
Accrued Annual Leave		46,130	51,697
Sick Leave		109,984	144,105
Fringe Benefits Tax		138,007	109,879
Long Service Leave		(31,397)	201,313
Salaries - Officers and Staff	16	6,533,340	6,054,636
Superannuation		778,185	748,647
Employment sundry		-	-
		<hr/>	<hr/>
		7,574,249	7,310,277
OTHER EXPENSES			
Advertising Expense		5,035	4,608
Affiliation Fees		332,048	430,953
Annual Conference Expenses		290,070	296,631
Attendance Allowance – Other Organisations		378	1,218
Payment to AMACSU NSW Branch re National AMACSU Capitation Fees		894,345	872,840
Auditors Remuneration	15	53,148	55,905
Computer Expenses		89,054	73,155
Delegates, Executive and Organising Expenses		889,100	831,663
Donations		112,265	5,718
Electricity and Gas		125,739	145,312
Employee Assistance Expenses		39,171	32,619
General Administration Expenses		486,379	481,302
Honoraria		100,807	96,005
		<hr/>	<hr/>
Carried Forward		3,417,539	3,327,929

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	NOTE	2019 \$	2018 \$
Brought Forward		3,417,539	3,327,929
Insurance		192,628	119,676
Land Tax		137,400	124,518
Lease of Office Equipment and Property		277,472	282,587
Legal and Professional Expenses		181,645	112,690
Marketing and Promotions		257,793	215,734
Mortality Benefit		68,182	88,636
Motor Vehicle Expenses		369,526	364,571
OH & S Costs		39,619	42,792
Payroll Tax		400,421	349,265
Postage		157,420	126,795
Printing and Stationery		141,344	120,739
Property Expenses		485,995	404,187
Picnic Expenses		129,285	120,548
Telephones (including Mobiles)		126,247	145,393
Training Expenses		57,684	49,927
Union Magazines		129,832	123,446
Women's Committee and Conference		47,251	8,409
		<u>6,617,283</u>	<u>6,127,842</u>
TOTAL EXPENDITURE		<u>14,966,335</u>	<u>14,139,228</u>
OPERATING SURPLUS FOR THE YEAR – GENERAL FUND		1,044,615	1,497,494
Surplus on disposal of fixed assets		73,852	62,624
Loss on Disposal of Fair Value Assets – realised		(35,648)	-
		<u>1,082,819</u>	<u>1,560,118</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>1,082,819</u>	<u>1,560,118</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Net Increase/(Decrease) in Fair Value Assets		447,640	(931,613)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,530,459</u>	<u>628,505</u>

(The attached notes form part of these financial statements)

NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	1,778,826	732,678
Trade and Other Receivables	7	433,103	592,908
Other Financial Assets	10	24,445,961	23,510,260
Total Current Assets		<u>26,657,890</u>	<u>24,835,846</u>
Non-Current Assets			
Property, Plant and Equipment	5	8,228,746	8,496,184
TOTAL NON-CURRENT ASSETS		<u>8,228,746</u>	<u>8,496,184</u>
TOTAL ASSETS		<u>34,886,636</u>	<u>33,332,030</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8	1,051,278	701,821
Employee Benefits	9	3,442,188	3,787,554
Total Current Liabilities		<u>4,493,466</u>	<u>4,489,375</u>
Non-Current Liabilities			
Employee Benefits	9	67,925	47,869
TOTAL NON-CURRENT LIABILITIES		<u>67,925</u>	<u>47,869</u>
TOTAL LIABILITIES		<u>4,561,391</u>	<u>4,537,244</u>
NET ASSETS		<u>30,325,245</u>	<u>28,794,786</u>
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		29,937,316	28,854,497
Fair Value through Other Comprehensive Income Investment Reserve	17	387,929	(59,711)
ACCUMULATED FUNDS AND RESERVES		<u>30,325,245</u>	<u>28,794,786</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Accumulated Funds	Fair Value Through Other Comprehensive Income Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	27,294,379	871,902	28,166,281
Net reduction in value of Fair Value Through Other Comprehensive Income Assets	-	(931,613)	(931,613)
Net surplus for the Year	1,560,118	-	1,560,118
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	28,854,497	(59,711)	28,794,786
Net reduction in value of Fair Value Through Other Comprehensive Income Assets	-	447,640	447,640
Net surplus for the Year	1,082,819	-	1,082,819
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	<u>29,937,316</u>	<u>387,929</u>	<u>30,325,245</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions and Levies from Members		15,378,892	14,927,113
Receipts from Customers		827,476	786,825
Payments to Suppliers and Employees		(15,480,964)	(14,786,253)
Interest Received		676,137	635,688
Rent Received		90,105	67,476
Other Receipts		<u>520,637</u>	<u>648,350</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	21(b)	<u>2,012,283</u>	<u>2,279,199</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire Property, Plant and Equipment		(523,088)	(657,331)
Proceeds from the disposal of Property, Plant and Equipment		89,652	79,125
Net Received/(Payment) for Investments		<u>(532,699)</u>	<u>(1,457,886)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(966,135)</u>	<u>(2,036,092)</u>
NET INCREASE/(DECREASE) IN CASH HELD		1,046,148	243,109
Cash and cash equivalents at beginning of year		<u>732,678</u>	<u>489,571</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	21(a)	<u>1,778,826</u>	<u>732,678</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the New South Wales Industrial Relations Act 1996.

Basis of Preparation

The financial report is for the entity New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, as an individual entity ("the Union"). The New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the State Executive Committee on 22nd June 2020.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements

(a) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Union recognises revenue when it transfers control over a good or services to a customer. Each of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union's activities are discussed below.

Contributions and Government Grants are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

Distributions from managed funds are recognised as income when declared and are then reinvested.

Interest is accounted for on an accruals basis.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997. The Union still has an obligation for Fringe Benefit Tax (FBT) and the Goods and Services Tax (GST).

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which it relates to.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Freehold land and buildings are measured on a cost basis.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of asset are:

Buildings	2.5%
Office Furniture and Equipment	5% - 33.33%
Motor Vehicles	22.5%

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

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is disposed off.

(e) Impairment of Non-Financial Assets

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Employee benefits are presented as current liabilities in the statement of financial position if the Union does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(h) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Fair Value Through Other Comprehensive Income Assets

Investments, which are classified as Fair Value through Other Comprehensive Income, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Fair Value Through Other Comprehensive Income Investment Reserve until the investment is sold or until, based on objective evidence, a Fair Value Through Other Comprehensive Income financial asset is determined to be impaired at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

Receivables

Receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

Collectability of receivables is assessed on an ongoing basis. Receivables which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulty or delay in payment) that the Union will not be able to collect all amounts according to original terms.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Investments (Cont'd)

Riverside Resort @Port

The assets and liabilities and the income and expenses of the Riverside Resort in Port Macquarie have been disclosed on a consolidated basis in the financial statements.

(i) Cash

Cash and cash equivalents comprise cash on hand, cash at bank and deposits held at-call with bank

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these Standards.

(k) New Accounting Standards Adopted by the Union

The Union has initially adopted AASB 16: Leases from 1 January 2019.

AASB 16: Leases

This Standard has replaced the previous accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The adoption of AASB 16 has not required any amendments to the accounting treatment of leases.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW), the attention of members is drawn to the provisions of sub-sections (1) and (2) of section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgements in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019	2018
	\$	\$
4. RIVERSIDE RESORT		
(a) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019		
INCOME		
Accommodation and Rent	785,351	744,232
Interest	17	20
Sundry Income	-	(12,684)
Laundry Commission and Linen	8,438	8,423
	<u>793,806</u>	<u>739,991</u>
TOTAL INCOME		
LESS EXPENDITURE		
Depreciation	166,874	165,700
Employee Benefits Expense		
Annual and Long Service Leave	8,219	7,906
Salaries – Staff	323,868	302,321
Superannuation	29,713	27,015
	<u>361,800</u>	<u>337,242</u>
Other Expenses		
Austar	8,663	8,803
Bank Charges	6,497	6,017
Catering (Motel)	1,527	4,227
Domestic Supplies	16,804	12,888
Electricity and Gas	46,484	51,790
Land Tax	71,342	66,357
Payroll Tax	17,786	16,268
Printing, Stationery and Advertising	4,299	4,566
Rates and Taxes (Council and Water)	44,887	40,975
Repairs, Replacements and Maintenance	32,563	49,215
Sundries and Other Expenditure	41,556	33,969
Telephone (Other)	9,077	8,827
	<u>301,485</u>	<u>303,902</u>
TOTAL EXPENDITURE	<u>830,159</u>	<u>806,844</u>
OPERATING DEFICIT FOR THE YEAR	<u>(36,353)</u>	<u>(66,853)</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	Note	2019 \$	2018 \$
4. RIVERSIDE RESORT (Cont'd)			
(b) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019			
ASSETS			
Current Assets			
Cash and Cash Equivalents	(e)	175,502	200,432
Prepayments		2,415	-
Receivables	(f)	<u>8,761</u>	<u>4,648</u>
Total Current Assets		<u>186,678</u>	<u>205,080</u>
Non-Current Assets			
Land and Buildings (At Cost)		4,882,917	4,878,439
Less Accumulated Depreciation on Buildings		(1,884,775)	(1,771,668)
Equipment (At Cost)		901,204	894,076
Less Accumulated Depreciation		<u>(606,071)</u>	<u>(552,304)</u>
Total Non-Current Assets	(c)	<u>3,293,275</u>	<u>3,448,543</u>
TOTAL ASSETS		<u>3,479,953</u>	<u>3,653,623</u>
LIABILITIES			
Current Liabilities			
Provision for Annual Leave		12,937	8,199
Payables	(g)	<u>235,275</u>	<u>244,557</u>
Total Current Liabilities		<u>248,212</u>	<u>252,756</u>
NON Current Liabilities			
Provision for Long Service Leave		<u>3,523</u>	<u>42</u>
TOTAL LIABILITIES		<u>251,735</u>	<u>252,798</u>
NET ASSETS		<u>3,228,218</u>	<u>3,400,825</u>

(c) MOVEMENTS IN CARRYING AMOUNTS - NON CURRENT ASSETS

	Land and Buildings \$	Equipment \$	Total \$
Balance at 1 January 2019	3,106,773	341,770	3,448,543
Additions	4,477	7,129	11,606
Disposals	-	-	-
Depreciation	<u>113,106</u>	<u>53,768</u>	<u>166,874</u>
Balance at 31 December 2019	<u>2,998,144</u>	<u>295,131</u>	<u>3,293,275</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	Note	2019 \$	2018 \$
4. RIVERSIDE RESORT (Cont'd)			
(d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019			
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		836,758	796,090
Payments to Suppliers and Employees		(746,946)	(724,133)
Interest Received		17	20
Rent Received		33,100	28,937
		<u> </u>	<u> </u>
NET CASH GENERATED/(UTILISED) BY OPERATING ACTIVITIES	(d)(ii)	<u>122,929</u>	<u>100,914</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		<u>(11,606)</u>	<u>(95,508)</u>
		<u> </u>	<u> </u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(11,606)</u>	<u>(95,508)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net Payments to General Fund		<u>(136,253)</u>	<u>96,844</u>
		<u> </u>	<u> </u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(136,253)</u>	<u>96,844</u>
NET INCREASE/(DECREASE) IN CASH HELD		(24,930)	102,250
Cash and Cash Equivalents at beginning of financial year		<u>200,432</u>	<u>98,182</u>
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(d)(i)	<u>175,502</u>	<u>200,432</u>
(d) NOTES TO THE STATEMENT OF CASH FLOWS			
(i) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.			
Cash on Hand		1,050	1,050
Cash at Bank		174,452	199,382
		<u> </u>	<u> </u>
		<u>175,502</u>	<u>200,432</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019 \$	2018 \$
4. RIVERSIDE RESORT (Cont'd)		
(ii) RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH NET SURPLUS		
Net Deficit	(36,353)	(66,853)
Non-Cash Flows In Net Deficit		
Depreciation	166,874	165,700
Changes in Assets and Liabilities		
(Decrease)/Increase in Debtors	(6,529)	200
Increase/(Decrease) in Employee Entitlements Provision	8,219	7,906
(Decrease)/Increase in Creditors & Accruals	(9,282)	(6,039)
Decrease in GST Payable	-	-
NET CASH GENERATED/(UTILISED) BY OPERATING ACTIVITIES	<u>122,929</u>	<u>100,914</u>
 (e) CASH AND CASH EQUIVALENTS		
Cash on Hand	1,050	1,050
Cash at Bank	<u>174,452</u>	<u>199,382</u>
	<u>175,502</u>	<u>200,432</u>
 (f) RECEIVABLES		
Sundry Debtors	<u>8,761</u>	<u>4,648</u>
	8,761	4,648
 (g) PAYABLES		
Sundry Creditors and Accruals	235,275	244,557
GST Payable	<u>-</u>	<u>-</u>
	<u>235,275</u>	<u>244,557</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019	2018
	\$	\$
5. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
At cost		
Level 7, 321 Pitt St. Sydney	2,438,147	2,438,147
Level 8, 321 Pitt St Sydney	1,916,120	1,916,120
Levels 7 & 8, 321 Pitt St Sydney - Building Improvements	746,635	746,635
86 Lawson St Newcastle	590,995	590,995
2 & 3/100 Market St. Wollongong	359,524	359,524
1/157 Gordon St Port Macquarie	94,697	94,697
Shop 3, 4-12 Queen Elizabeth Drive Armidale	71,476	71,476
Shops 11 & 12, 142 William St Bathurst	95,934	95,934
55-61 Prince St Grafton	61,804	61,804
2/46 Church St Dubbo	180,558	180,558
7/56 Fitzmaurice St, Wagga Wagga	60,638	60,638
1/100 Market St. Wollongong	400,930	400,930
Riverside Resort – Port Macquarie	4,878,439	4,878,439
ACT Car Park 50% with ASU Nat Office	81,818	81,818
Rutherford Office - Deposit	104,546	-
	<u>12,082,261</u>	<u>11,977,715</u>
Less: Accumulated Depreciation	(5,264,301)	(4,995,049)
Total Land and Buildings	<u>6,817,960</u>	<u>6,982,666</u>
Office Furniture and Equipment		
At Cost	3,122,323	2,970,686
Less: Accumulated Depreciation	(2,325,890)	(2,097,573)
Total Office Furniture and Equipment	<u>796,433</u>	<u>873,113</u>
Motor Vehicles		
At Cost	1,315,451	1,338,638
Less: Accumulated Depreciation	(701,098)	(698,233)
Total Motor Vehicles	<u>614,353</u>	<u>640,405</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>8,228,746</u>	<u>8,496,184</u>

During 2015, the land and buildings owned by the Union were valued by an independent valuer. The fair value of the properties was determined to be between \$75,000 and \$6,000,000 (depending on how the properties are parcelled). The total fair value of all properties was \$15,830,000. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Office Furniture and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 January 2019	6,982,666	873,113	640,405	8,496,184
Additions	104,546	156,750	261,792	523,088
Disposals	-	-	(15,723)	(15,723)
Depreciation	(269,252)	(233,430)	(272,121)	(774,803)
Balance at 31 December 2019	<u>6,817,960</u>	<u>796,433</u>	<u>614,353</u>	<u>8,228,746</u>

2019	2018
\$	\$

6. CASH AND CASH EQUIVALENTS

Cash on Hand	1,700	1,700
Cash at Bank	1,365,262	367,256
Cash Held by Branches	236,362	163,290
Cash Held by Riverside Resort	175,502	200,432
	<u>1,778,826</u>	<u>732,678</u>

7. TRADE AND OTHER RECEIVABLE

Current

Trade Debtors	7,000	143,910
Prepayments	419,784	442,773
Sundry Debtors	1,577	1,577
Sundry Debtors – Riverside Resort	4,742	4,648
	<u>433,103</u>	<u>592,908</u>

8. PAYABLES

Sundry Creditors and Accruals	578,503	254,028
Sundry Creditors – Riverside Resort	235,279	244,557
GST Payable	237,496	203,236
	<u>1,051,278</u>	<u>701,821</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

		2019	2018
		\$	\$
9. EMPLOYEE BENEFITS			
	Current		
	Provision for Sick Leave	1,127,889	1,157,729
	Provision for Annual Leave	621,730	683,658
	Provision for Long Service Leave	1,692,569	1,946,167
		<u>3,442,188</u>	<u>3,787,554</u>
	Non-Current		
	Provision for Long Service Leave	67,925	47,869
		<u>67,925</u>	<u>47,869</u>
		<u>3,510,113</u>	<u>3,835,423</u>
10. OTHER FINANCIAL ASSETS			
	Investment General Fund	11 21,863,586	20,959,630
	Long Service Leave Fund	12 2,208,411	2,143,605
	Mortality Fund	13 297,712	294,424
	Other Investments	76,252	112,601
		<u>24,445,961</u>	<u>23,510,260</u>
11. INVESTMENT – GENERAL FUND CURRENT			
	Cash and Cash Equivalents		
	Cash Deposits	1,296,857	2,373,748
	Term Deposit	11,277,433	10,040,183
	Assets at Fair Value Through Other Comprehensive Income		
	Shares in Listed Companies (at fair value)	14 3,808,442	3,496,026
	Managed Funds (at fair value)	14 940,144	801,922
	Investments in Bonds (at fair value)	14 4,540,710	4,247,751
		<u>21,863,586</u>	<u>20,959,630</u>
12. INVESTMENTS – LONG SERVICE LEAVE FUND CURRENT			
	Cash and Cash Equivalents		
	Cash Deposit	2,208,411	2,143,605

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019	2018
	\$	\$
13. INVESTMENTS - MORTALITY FUND CURRENT		
Cash and Cash Equivalents		
Cash Deposits	<u>297,712</u>	<u>294,424</u>
14. ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
At Fair Value		
Shares in Listed companies	3,808,442	3,496,026
General Fund Managed Funds	940,144	801,923
Investment in Bonds	<u>4,540,710</u>	<u>4,247,751</u>
	<u>9,289,296</u>	<u>8,545,700</u>
15. AUDITORS' REMUNERATION		
Auditing the Financial Statements	55,000	55,000
Other Services	-	6,405
Prior Year Audit Fee	<u>(1,852)</u>	<u>(5,500)</u>
	<u>53,148</u>	<u>55,905</u>
16. SALARIES - OFFICERS AND STAFF		
Elected Officers	184,270	170,043
Officials	4,252,529	3,733,331
Administration Staff	1,772,673	1,848,941
Riverside Resort Staff	<u>323,868</u>	<u>302,321</u>
	<u>6,533,340</u>	<u>6,054,636</u>
17. RESERVES		
Fair Value through other comprehensive income Investment Reserve		
Opening Balance	(59,711)	871,902
Change in fair value during the year	<u>447,640</u>	<u>(931,613)</u>
	<u>387,929</u>	<u>(59,711)</u>

This reserve records unrealised gains and losses on Investments held at Fair Value Through Other Comprehensive Income.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019 \$	2018 \$
18. OPERATING LEASE COMMITMENTS		
In respect of office equipment and property, payable:		
- not later than 1 year	98,064	85,932
- later than 1 year but not later than 5 years	380,907	170,235
	<u>478,971</u>	<u>256,167</u>

19. SUPERANNUATION

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in four employer sponsored superannuation plans, one of which, the Local Government Superannuation Scheme is a defined benefit plan. The Scheme has advised that the assets and liabilities of the Union's employees are pooled with those of other employers. The Scheme has further advised that it is impractical to separate employers without additional cost to the employer. As a consequence the Union has elected to take the exemption allowed under AASB 119 and treat the Scheme for financial reporting purposes as a defined contribution scheme.

The other superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans.

20. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$14,014 (2018: \$13,566).
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	2019	2018
21. CASH FLOW INFORMATION		
	\$	\$
(a) For the purposes of the statement of cash flows, cash includes:		
Cash on hand and at call deposits with banks and financial institutions.		
Cash is shown in the statement of financial position as:		
Cash on Hand	1,700	1,700
Cash at Bank	1,365,262	367,256
Cash Held by Branches	236,362	163,290
Cash on Hand – Riverside Resort	1,050	1,050
Cash at Bank – Riverside Resort	<u>174,452</u>	<u>199,382</u>
	<u>1,778,826</u>	<u>732,678</u>
(b) Reconciliation of cash flow from operations with operating results:		
Net Surplus - General Fund	1,082,819	1,560,118
Non-Cash Flows in Operating Results		
Depreciation	774,803	701,109
(Surplus)/Loss on Sale of Fixed Assets	(73,852)	(62,624)
Loss on disposal of Financial Asset	35,648	-
Reinvestment of income from managed funds	(27,358)	(34,625)
Changes in Assets and Liabilities		
Decrease/(Increase) in Sundry Debtors and Prepayments	159,825	(163,972)
Decrease/(Increase) in Accrued Interest	36,348	20,474
Increase in Employee Entitlement Provisions	(325,310)	254,694
(Decrease)/Increase in Sundry Creditors & GST Payable	<u>349,360</u>	<u>4,025</u>
CASH FLOW GENERATED/(UTILISED) FROM OPERATIONS	<u>2,012,283</u>	<u>2,279,199</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019(Cont'd)**

22. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The Union is exposed to risks that arise from its use of financial instruments. This note describes the Union's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Union's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, investments, trade receivables and payables. The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk, other price risk and foreign currency risk).

The State Executive has overall responsibility for the determination of the Union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the State Executive makes investment decisions after considering advice received from advisors.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Union.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2019	2018
	\$	\$
Cash at Bank	1,776,076	729,928
Cash Deposit	1,296,857	2,373,748
Term Deposit	<u>11,277,433</u>	<u>10,040,183</u>
	<u>14,350,366</u>	<u>13,143,859</u>

The cash and cash equivalents are held in high quality Australian financial institutions.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) *Liquidity Risk*

Liquidity risk is the risk that the Union may encounter difficulties raising funds to meet commitments associated with financial liabilities.

The Union is not significantly exposed to this risk, as at 31 December 2019, it had \$14,350,366 (\$13,143,859 - 2018) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31st December, 2019 totalled \$1,051,278 (\$701,281 - 2018).

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) *Interest Rate Risk*

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 December 2019	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash	1,776,076	2,750	1,778,826
Cash Deposits	15,084,494	-	15,084,494
Investments	5,484,294	-	5,484,294
Total Financial Assets	22,344,864	2,750	22,347,614
Weighted Average Interest Rate	1.49%		
Financial Liabilities	\$	\$	\$
Payables	-	1,051,278	1,051,278
Total Financial Liabilities	-	1,051,278	1,051,278
Net Financial Assets/(Liabilities)	22,344,864	(1,048,528)	21,296,336

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

22. FINANCIAL RISK MANAGEMENT (Continued)

31 December 2018	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash	729,928	2,750	732,678
Cash Deposits	14,856,041	-	14,856,041
Investments	5,053,114	-	5,053,114
Total Financial Assets	<u>20,639,083</u>	<u>2,750</u>	<u>20,641,833</u>
Weighted Average Interest Rate	2.50%		
Financial Liabilities	\$	\$	\$
Payables	-	673,131	673,131
Total Financial Liabilities	<u>-</u>	<u>673,131</u>	<u>673,131</u>
Net Financial Assets/(Liabilities)	<u>20,639,083</u>	<u>(670,381)</u>	<u>19,968,702</u>

Sensitivity Analysis

2019	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash & Cash Equivalents	22,344,864	223,449	(223,449)
2018	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash & Cash Equivalents	20,639,083	206,391	(206,391)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

22. FINANCIAL RISK MANAGEMENT (Continued)

(f) Price Risks

The union is exposed to equity securities price risk. This arises from investments held by the Union and classified on the Statement of Financial Position either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Union only maintains a small portfolio.

The Union is not exposed to commodity price risk.

The Union's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increase/decrease of the indexes on the Union's surplus for the year and on equity. The analysis is based on the assumption that the equity indexes had increase/(decrease) by 10%(2018 -10%) with all other variables held constant and all the Union's equity instruments moved according to the historical correlation with the index.

	2019	2018
	\$	\$
Effect on equity		
Increase of equity index by 10%	928,930	854,570
Decrease of equity index by 10%	(928,930)	(854,570)

(g) Foreign Exchange Risks

The Union is not exposed to foreign exchange risk

23. FAIR VALUE MEASUREMENT

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

- Fair Value Through Other Comprehensive Income Assets

(a) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a. Quoted price (unadjusted) in active markets for identical assets or liabilities (level 1)
- b. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- c. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

23. FAIR VALUE MEASUREMENT (continued)

(1) Recognised fair value measurements

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2019.

	Level 1		Level 2		Level 3		Total	2018
	2019	2018	2019	2018	2019	2018	2019	
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Financial assets through Other Comprehensive Income	9,289,296	8,545,700	-	-	-	-	9,289,296	8,545,700
Financial assets through profit and loss	-	-	-	-	-	-	-	-
Total assets	9,289,296	8,545,700	-	-	-	-	9,289,296	8,545,700

There were no transfers between Level 1, Level 2 and Level 3 in 2019 or 2018.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Australian economy has been severely impacted by the effects of COVID 19 since March 2020. The full extent of the impact and recovery from COVID 19 on the operations of the Union continues to evolve as at the date of this report, however the Union does not anticipate being significantly impacted at this stage.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

25. CONTINGENT LIABILITIES

	2019	2018
	\$	\$
Estimate of the maximum amount of contingent liabilities that may become payable:		
Nil	-	-

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

26. UNION DETAILS

The Registered Office of the Union is:

Level 7
321 Pitt Street
SYDNEY NSW 2000

Independent Audit Report to the members of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union

Report on the Audit of the Financial Report

We have audited the financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union ("the Union"), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the State Executive's certificate and accounting officer's certificate.

In our opinion, the financial report of the Union is in accordance with Australian Accounting Standards and the Industrial Relations Act 1996:

- i. giving a true and fair view of the entity's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Industrial Relations Act 1996*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Union in accordance with the Industrial Relations Act 1996 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The State Executive and General Secretary are responsible for the other information. The other information comprises the information included in the Union's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the State Executive and General Secretary for the financial report

The State Executive and the General Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Industrial Relations Act 1996* and for such internal control as the State Executive and General Secretary determines is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the State Executive and General Secretary are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Accounting Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We obtain an understanding of internal control relevant to the audit 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 Union's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Executive and General Secretary.

We conclude on the appropriateness of State Executive and General Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We communicate with the State Executive and General Secretary regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the State Executive and General Secretary with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Bentleys NSW Audit Pty Ltd

Bentleys NSW Audit Pty Limited
Chartered Accountants

Robert Evett

Robert Evett
Director
Sydney

Date: *July 20, 2020.*