



EXTRAORDINARY AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

13 September 2023



COMMUNITY STRATEGIC PLAN 2018-2028

ONE – CENTRAL COAST IS THE COMMUNITY STRATEGIC PLAN (CSP) FOR THE CENTRAL COAST LOCAL GOVERNMENT AREA

ONE – CENTRAL COAST DEFINES THE COMMUNITY'S VISION AND IS OUR ROADMAP FOR THE FUTURE

ONE – CENTRAL COAST BRINGS TOGETHER EXTENSIVE COMMUNITY FEEDBACK TO SET KEY DIRECTIONS AND PRIORITIES

One - Central Coast will shape and inform Council's business activities, future plans, services and expenditure. Where actions are the responsibility of other organisations, sectors and groups to deliver, Council will work with key partners to advocate on behalf of our community.

Ultimately, every one of us who live on the Central Coast has an opportunity and responsibility to create a sustainable future from which we can all benefit. Working together we can make a difference.

RESPONSIBLE

WE'RE A RESPONSIBLE COUNCIL AND COMMUNITY, COMMITTED TO BUILDING STRONG RELATIONSHIPS AND DELIVERING A GREAT CUSTOMER EXPERIENCE IN ALL OUR INTERACTIONS.

We value transparent and meaningful communication and use community feedback to drive strategic decision making and expenditure, particularly around the delivery of essential infrastructure projects that increase the safety, liveability and sustainability of our region. We're taking a strategic approach to ensure our planning and development processes are sustainable and accessible and are designed to preserve the unique character of the coast.

 **Good governance and great partnerships**

G2 Engage and communicate openly and honestly with the community to build a relationship based on trust, transparency, respect and use community participation and feedback to inform decision making

There are 5 themes, 12 focus areas and 48 objectives

COMMUNITY STRATEGIC PLAN 2018-2028 FRAMEWORK

All council reports contained within the Business Paper are now aligned to the Community Strategic Plan. Each report will contain a cross reference to a Theme, Focus Area and Objective within the framework of the Plan.

The infographic details the following structure:

- THEME: BELONGING**
 - Focus Area: OUR COMMUNITY (Objectives: G1, G2, G3, G4)
 - Focus Area: COMMUNITY GOVERNANCE AND LOCAL GOVERNMENT (Objectives: G5, G6)
- THEME: SMART**
 - Focus Area: A GROWING AND COMPETITIVE REGION (Objectives: C1, C2, C3, C4)
 - Focus Area: A PLACE OF OPPORTUNITY FOR PEOPLE (Objectives: O1, O2, O3, O4)
- THEME: GREEN**
 - Focus Area: ENVIRONMENTAL WELL-BEING FOR THE FUTURE (Objectives: E1, E2, E3, E4)
 - Focus Area: INCREASED RAIN WATER RESILIENCE (Objectives: R1, R2)
- THEME: RESPONSIBLE**
 - Focus Area: GOOD GOVERNANCE AND GREAT PARTNERSHIPS (Objectives: G1, G2, G3, G4)
 - Focus Area: BELONGING THROUGH INFRASTRUCTURE (Objectives: I1, I2, I3, I4)
 - Focus Area: SAFE AND SOUND DEVELOPMENT (Objectives: S1, S2, S3, S4)
- THEME: LIVEABLE**
 - Focus Area: RELIABLE PUBLIC TRANSPORT AND CONNECTIONS (Objectives: P1, P2, P3, P4)
 - Focus Area: SAFE AND SOUND DEVELOPMENT (Objectives: S1, S2, S3, S4)
 - Focus Area: HEALTHY LIFESTYLES (Objectives: L1, L2, L3, L4)



Meeting Notice

**The Extraordinary Audit, Risk and Improvement Committee
Meeting
of Central Coast Council
will be held Remotely – Online,
on Wednesday 13 September 2023 at 2.00pm,
for the transaction of the business listed below:**

1 Procedural Items

- 1.1 Acknowledgement of Country, apologies and welcome 4
- 1.2 Disclosures of Interest..... 5

2 Reports

- 2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast
Council Water Supply Authority..... 7

Carl Millington
Chairperson

1.1 ACKNOWLEDGEMENT OF COUNTRY, APOLOGIES AND WELCOME

ARIC Chairperson

*We acknowledge the Traditional Custodians of the land on which we live, work and play.
We pay our respects to Elders, past, present and emerging and recognise their continued
connection to these lands and waterways.
We acknowledge our shared responsibility to care for and protect our place and people.*

Item No: 1.2
Title: Disclosures of Interest
Department: Corporate Services



13 September 2023 Extraordinary Audit, Risk and Improvement
Committee Meeting

Reference: F2021/00030 - D15747929

Recommendation

- 1 *That the Committee note the standing declarations of current Committee members outlined in the table below.*
- 2 *That the Committee now disclose any conflicts of interest in matters under consideration by the Committee at this meeting.*
- 3 *That the Committee make a recommendation that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

Report Purpose

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the Councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states in part that:

- (1) *A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) *The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
 - (a) *at any time during which the matter is being considered or discussed by the council or committee, or*
 - (b) *at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) *For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because*

1.2 Disclosures of Interest (contd)

the Councillor or member has an interest in the matter of a kind referred to in section 448.

Further, the [Code of Conduct](#) adopted by Council applies to all Councillors and Staff. The Code relevantly provides that if a Councillor or Staff member has a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflict of interests might be managed.

Committee Members standing declarations

ARIC Member	Meeting Date	Disclosure of Interest
Carl Millington	13 July 2021 (noted outside of meeting) and 7 December 2022	Less than significant non-pecuniary interest as an Independent member on Randwick City Council and Penrith City Council and Woollahra Council. Audit, Risk and Improvement Committee.
Arthur Butler	24 June 2021	Less than significant non-pecuniary interest as a member of the Audit, Risk and Improvement Committee for the Hunter and Central Coast Development Corporation.
Peter McLean	14 September 2022	Less than significant non-pecuniary interest as Chair, Audit, Risk and Improvement Committee, Shoalhaven City Council and Goldenfields Water County Council, Independent member of the Audit, Risk and Improvement Committee at Federation Council and is a current Councillor for Camden Council.

Attachments

Nil



Item No: 2.1
Title: Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority
Department: Corporate Services

13 September 2023 Extraordinary Audit, Risk and Improvement Committee Meeting

Reference: F2022/01283 - D15842727
Author: Michelle Best, Section Manager Financial Accounting and Assets
Leslie Chan, Team Leader Financial Accounting
Manager: Emma Galea, Chief Financial Officer
Executive: Marissa Racomelara, Director Corporate Services

Recommendation

- 1 That the Committee note the report on the draft Financial Statements for the period from 1 July 2022 to 30 June 2023.**
- 2 That the Committee recommends that Council refer the draft 2022-2023 Consolidated Financial Statements for Central Coast Council that include General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules to audit.**
- 3 That the Committee recommends that Council refer the 2022-2023 Central Coast Council Water Supply Authority General Purpose Financial Statements to audit.**
- 4 That the Committee make a recommendation that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement committee Charter.**

The information provided in this report is current as at 6 September 2023.

Report purpose

To consider the draft 2022-2023 unaudited Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority, including analysis of the financial position and financial performance for the reporting period.

Background

The *Local Government Act 1993* ("LG Act") and the *Public Finance and Audit Act 1983* ("PF Act") require that Council prepare financial statements each year and refer them for audit. The requirement includes that:

- Council form an opinion on the financial statements

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

- Council present its audited financial statements together with the external auditor's reports (scheduled to be presented to Council on 31 October 2023).

Adoption of financial statements

The Financial Statements for the 2022-2023 reporting period are the formal record of the business performance of all Council activities and are prepared in accordance with accounting standards and legislative requirements for the period from 1 July 2022 to 30 June 2023.

In accordance with s. 413(1) of the LG Act, Council must prepare financial reports for each year, and must refer them for audit as soon as practicable after the end of that year. Council is required to formally resolve to refer the draft financial reports to audit, to submit audited Financial Reports to the OLG by 31 October 2023 and formally present to the community the final reports complete with the auditor's reports no later than 5 December 2023 in accordance with s. 418(2) of the LG Act.

Council's external auditor, The Audit Office of New South Wales ("Audit Office") will sign-off and provide the formal audit opinion to Council. This is the standard practice and in accordance with legislative requirements.

Current Status

Audit Status

Council's audit planning processes for 2022-2023 commenced with the Audit Office of NSW in May 2023 with business process walkthrough meetings held with staff across Council. The interim audit commenced on 5 June 2023 and progressed well. At the time of writing this report no formal report has been received on the outcomes of interim audit.

The final audit of Council's 2022-2023 Financial Statements is commencing on 18 September 2023.

Once Council receives the formal audit opinion the financial statements will then be updated to include the audit opinions and notice of public meeting to be held in accordance with Section 418 (2) of the Local Government Act 1993, at which time Council can invite the external auditor, Caroline Karakatsanis of the Audit Office, or her delegate to formally present the report.

Analysis of draft 2022-2023 Financial Statements

This analysis provides an overview of the financial performance and the financial position of Central Coast Council for the reporting period from 1 July 2022 to 30 June 2023. All analysis in this report relate to the Consolidated Statements unless otherwise indicated.

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

Key statements and notes detailed in this analysis include:

- Income Statement
- Statement of Financial Position
- Statement of Performance Measures (Note G5 to the Financial Statements)

Council's primary Financial Statements are in the format required by accounting standards and must conform to the provisions of the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) issued by the Office of Local Government (OLG).

In this report the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules for the consolidated entity are referred to as "Consolidated Financial Statements".

This report provides commentary on significant items in the Financial Statements.

Note that there may be some small rounding differences throughout this report as whole dollars are rounded to the nearest \$0.1M.

Comparison of 2022-2023 results to 2022-2023 Original Budget

Council is required to publish in the Consolidated Financial Statements for 2022-2023 the original budget adopted by Council for 2022-2023, in line with the Local Government Code of Accounting Practice and Financial Reporting 2022/23 issued in December 2022.

The below table compares the 2022-2023 actual results to the original budget adopted.

	2022-2023 Actual \$'000	2022-2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000
Income Statement			
Income from operations	665,617	597,690	67,927
Expenditure from operations	637,117	587,933	(49,184)
Net operating result (excluding capital grants and contributions)	28,500	9,757	18,743
Income from capital grants and contributions	118,053	75,883	42,170
Net operating result (including capital grants and contributions)	146,553	85,640	60,913

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

The variance between the actual net operating result (excluding capital grants and contributions) of \$28.5M surplus and the original budgeted net operating result (excluding capital grants and contributions) of \$9.8M surplus is an \$18.7M favourable variance. Details regarding variances are provided below.

Income from Operations

The following table reports income by category and is followed by explanations relating to variations between actual income to the original budget.

	2022-2023 Actual \$'000	2022-2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Income from Operations				
Rates and Annual Charges	389,286	390,335	(1,049)	(0.3%)
User Charges and Fees	164,980	145,542	19,438	13.4%
Interest and Investment Revenue	23,888	4,890	18,998	388.5%
Other Revenues	16,103	9,666	6,437	66.6%
Grants and Contributions - Operating	56,622	34,046	22,576	(66.3%)
Grants and Contributions - Capital	118,053	75,883	42,170	55.6%
Other Income	14,738	7,917	6,821	86.2%
Net Gain from disposal of assets	-	5,294	(5,294)	(100%)
Total Income	783,670	673,573	110,097	16.3%

Rates and annual charges

No material variance to original budget.

User charges and fees

The favourable variance of \$19.4M is largely attributable to 2022-2023 being a non-COVID affected financial year, resulting in increased revenue through increased utilisation of various recreational facilities by the community such as holiday parks and pools, resulting in higher fee revenue than budget.

Interest and investment revenue

The favourable variance of \$19.0M relates to the value of Council's investment portfolio and interest earnings from a high interest rate environment in 2022-2023.

Other revenue

The favourable variance of \$6.4M is largely attributable to the unrealised gains on investments from a high interest rate environment in 2022-2023 that was not included in the

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

original budget forecast. There was also an increase in fines income and one-off insurance recoveries.

Grants and contributions - Operating

The favourable variance of \$22.6M is largely attributable to the advance payment of the 2023-2024 Financial Assistance Grant being higher than originally budgeted, as well as increased grant amounts in roads and bridges funding.

Grants and contributions - Capital

The favourable variance of \$42.2M relates to assets donated and found during 2022-23. This includes \$11.5M in open space assets contributed by Public Works Authority, \$10.5M donated roads and drainage assets, and \$16.2M land and buildings recognised for the first time.

Other Income

The favourable variance of \$6.8M is attributable to increased ticketing income and community facilities rental income following a non-COVID affected financial year.

Net gain from disposal of assets

This amount should be compared with the net loss from disposal of assets as explained below. It is noted that in 2022 – 2023 the actual net impact of disposal of assets is offset in the Financial Statements and is shown as a net loss.

Expenditure from Operations

The following table reports expenditure by category and is followed by explanations relating to variations between actual expenses compared to the original budget.

	2022-2023 Actual \$'000	2022-2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Expenditure from Operations				
Employee benefits and on-costs	184,873	180,750	(4,123)	(2.3%)
Borrowing costs	13,072	11,421	(1,651)	(14.5%)
Materials and services	204,252	198,729	(5,523)	(2.8%)
Depreciation and amortisation	176,601	158,781	(17,820)	(11.2%)
Other expenses	44,043	38,252	(5,791)	(15.1%)
Net loss from disposal of assets	14,276	-	(14,276)	(100%)
Total Expenditure	637,117	587,933	(49,184)	(8.4%)

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

Employee costs

This is mostly in line with original budget forecast, with a small unfavourable variance mainly attributable to an increase in employee leave entitlements and increased workers compensation payouts due to a higher number of work injury damage claims this financial year. These unfavourable impacts were partially offset with savings as a result of higher than expected vacancies.

Borrowing costs

Unfavourable variance of (\$1.7M) mainly attributable to increased amortisation from the discounting of the tip remediation provision following a high CPI environment in 2022-2023.

Materials and services

The small unfavourable variance is attributable to increased garbage collection costs and external plant hire.

Depreciation

Unfavourable variance of (\$17.8M) is due to the impact of revaluation increments recognised in 2021-2022, after the 2022-23 Original Budget was determined. The increments increased the asset base substantially, which increased depreciation expense.

Other expenses

Unfavourable variance of (\$5.8M) is largely attributable to fair value decrements from a high interest rate environment in 2022-2023 that was not included in the original budget forecast, as well as increased EPA waste levy costs.

Net loss from disposal of assets

The unfavourable variance of (\$14.3M) is due to:

- Replacement of infrastructure assets earlier than anticipated (\$8.8M)
- Derecognition of land and buildings confirmed as no longer owned by Council (\$9.5M) as part of the operational land revaluation process
- Profit on sale of operational land \$3.9M

Comparison of 2022 – 2023 financial results to prior financial year

The comparison of the financial performance for Council in the 2022-2023 Financial Statements (1 July 2022 to 30 June 2023) is to the 2021-2022 financial year (1 July 2021 to 30 June 2022).

Operating Result

The operating surplus before capital grants and contributions for the 2022-2023 financial year is \$28.5M. The operating result including capital grants and contributions is a surplus of \$146.6M. The operating result before capital grants and contributions in 2022-2023 is \$12.0M less than the result in the prior year, however, still represents a good result.

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

The below table compares the operating result for the 2022-2023 financial to the 2021-2022 financial year.

	2022-2023 Actual \$'000	2021-2022 Actual \$'000
Income from operations	665,617	603,204
Expenditure from operations	637,117	562,759
Operating result for continuing operations (excluding capital grants and contributions)	28,500	40,445
Income from capital grants and contributions	118,053	65,626
Net operating result (including capital grants and contributions)	146,554	106,071

Statement of Financial Position

The Statement of Financial Position details the value of what Council owns ("assets") and what Council owes ("liabilities").

Within these headings, "Current" means an amount that is due to be realised within the next 12 months whilst "Non-current" indicates an asset or liability that is longer term in nature.

For the movement between financial years, a positive movement means that the values have increased from 30 June 2022 to 30 June 2023.

Statement of Financial Position	30 June 2023 \$'000	30 June 2022 \$'000	Movement \$'000
Assets			
Current Assets	446,102	306,699	139,403
Non-Current Assets	9,019,486	8,578,968	440,518
Total Assets	9,465,588	8,885,667	579,921
Liabilities			
Current Liabilities	290,669	190,633	100,036
Non-Current Liabilities	278,934	372,921	(93,987)
Total Liabilities	569,603	563,554	6,049
Net Equity	8,895,985	8,322,113	573,872

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

Current assets

Current assets increased by \$139.4M mainly due to a \$84.6M increase in current investments, an increase of \$24.5M in cash and cash equivalents, an increase of \$5.0M in non-current assets held for sale, and an increase of \$23.1M in receivables.

Non-current assets

Non-current assets increased by \$440.5M mainly attributable to an increase in Infrastructure, Plant, Property and Equipment of \$442.7M. This has been offset by a decrease of (\$3.5M) in intangible assets.

Current Liabilities

Current liabilities increased by (\$100.0M) mainly attributable to a (\$76.8M) increase in current borrowings (mostly attributable to a significant loan maturity in December 2023, that was shown as a non-current liability in the prior financial year) and a (\$15.2M) increase in contract liabilities.

Non-Current Liabilities

Non-current liabilities decreased by \$94.0M due to reduction in non-current borrowings of \$104.2M, offset by a (\$7.3M) increase in non-current provisions from the tip remediation provision increase.

Statement of Performance Measurement (Note G5)

Note G5 - Statement of Performance Measures, includes various indicators mandated by the Office of Local Government (OLG) and the applicable benchmark for all councils to assess their performance against.

Local Government Industry Indicators	2023	2022	OLG Benchmark	2023 Result
Operating Performance Ratio	6.25%	8.92%	> 0.00%	✓
Own Source Operating Revenue Ratio	77.57%	83.02%	> 60.00%	✓
Unrestricted Current Ratio	1.72x	1.73x	> 1.50	✓
Debt Service Cover Ratio	5.64x	3.98x	> 2.00x	✓
Rates, Annual Charges, Interest Outstanding Percentage	3.18%	4.75%	< 5.00%	✓
Cash Expense Cover Ratio	8.32 months	7.02 months	> 3 months	✓

Operating Performance Ratio - measures how well Council contained operating expenditure within operating revenue. Council has achieved this benchmark in 2022-2023.

Own Source Operating Revenue Ratio - measures Council's fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions. Council's performance is significantly above the benchmark in 2022-2023.

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

Unrestricted Current Ratio – measures the adequacy of working capital and Council’s ability to satisfy obligations in the short term for the unrestricted activities of Council. Council has achieved this benchmark in 2022-2023.

Debt Service Cover Ratio - measures the availability of operating cash to service debt including interest, principal and lease payments. Council has achieved this ratio in 2022-2023 as the operating result before capital excluding interest and depreciation adequately covered loan principal repayments and borrowing costs.

Rate and annual charges outstanding ratio - assesses the impact of uncollected rates and annual charges on Council’s liquidity and the adequacy of debt recovery efforts. Council has achieved this ratio in 2022-2023 and shown a significant improvement from the prior year that was impacted by COVID and relaxation of collection activities.

Cash Expense Cover Ratio - this liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. Council’s performance is significantly above the benchmark in 2022-2023.

Water Supply Authority (WSA) Financial Statements

Operating Result

The operating deficit before capital grants and contributions for the 2022-2023 financial year is (\$1.0M). The operating surplus including capital grants and contributions, is a surplus of \$33.6M. The operating result before capital grants and contributions in 2022-2023 shows improvement of \$9.0M on the prior year.

	2022-2023 Actual \$'000	2021-2022 Actual \$'000
Income from operations	201,431	166,003
Expenditure from operations	202,478	176,128
Net operating result (excluding capital grants and contributions)	(1,047)	(10,125)
Income from capital grants and contributions	34,645	15,879
Net operating result (including capital grants and contributions)	33,598	5,754

The below table compares the 2022-2023 actual results to the original budget.

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

	2022-2023 Actual \$'000	2022-2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000
Income Statement			
Income from operations	201,431	194,295	7,136
Expenditure from operations	202,478	170,633	(31,845)
Net operating result (excluding capital grants and contributions)	(1,047)	23,662	(24,709)
Income from capital grants and contributions	34,645	27,993	6,652
Net operating result (including capital grants and contributions)	33,598	51,655	(18,057)

Income from Operations

The following table reports income by category.

	2022-2023 Actual \$'000	2022-2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Annual Charges	106,386	106,899	(513)	(0.5%)
User Charges and Fees	87,644	84,897	2,747	3.2%
Interest and Investment Revenue	5,830	2,433	3,397	139.6%
Other Revenue	18	12	6	50.0%
Grants and Contributions - Operating	432	54	378	700.0%
Grants and Contributions - Capital	34,645	27,993	6,652	23.8%
Net Gain from disposal of assets	-	-	9	n/a
Total Income	236,076	222,288	13,788	6.2%

2.1 Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)

Expenditure from Operations

The following table reports expenditure by category.

	2022- 2023 Actual \$'000	2022- 2023 Original Budget \$'000	Variance to Original Budget Favourable / (Unfavourable) \$'000	Variance to Original Budget Favourable / (Unfavourable) %
Expenditure from Operations				
Employee benefits and on-costs	30,309	32,371	2,062	6.4%
Borrowing costs	9,435	8,265	(1,170)	(14.2%)
Materials and services	73,942	54,153	(19,789)	(36.5%)
Depreciation and amortisation	85,830	75,843	(9,987)	(13.2%)
Other expenses	755	-	(755)	(100.0%)
Net loss from disposal of assets	2,507	-	(2,507)	(100.0%)
Total Expenditure	202,478	170,633	(31,845)	(18.7%)

Statement of Financial Position

For the movement between financial years a positive movement means that the values have increased from 30 June 2022 to 30 June 2023.

	30 June 2023 \$'000	30 June 2022 \$'000	Movement \$'000
Statement of Financial Position			
Assets			
Current Assets	150,394	108,970	41,424
Non-Current Assets	4,475,656	4,206,171	269,485
Total Assets	4,626,050	4,315,141	310,909
Liabilities			
Current Liabilities	83,790	68,289	(15,501)
Non-Current Liabilities	155,598	171,603	16,005
Total Liabilities	239,388	239,892	504
Net Equity	4,386,662	4,075,249	311,413

Financial Considerations

At its meeting held 19 October 2020, Council resolved the following:

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

The following statement is provided in response to this resolution of Council.

The audit of Council's General Purpose financial report, Special Purpose financial report, Special Schedules and Council's Water Supply Authority financial report will be undertaken by the Audit Office at an agreed engagement fee which is included in Council's budget.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Engage and communicate openly and honestly with the community to build a relationship based on trust, transparency, respect and use community participation and feedback to inform decision making.

Risk Management

Council has worked with the Audit Office of New South Wales to meet our legislative reporting requirements.

The Financial Statements are audited by the Audit Office of New South Wales who, amongst other things, form an opinion on the Financial Statements whether:

- 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; and

The Financial Statements:

- Have been prepared, in all material respects, in accordance with the requirements of this Division
- Are consistent with the Council's accounting records

2.1 **Draft 2022-2023 Financial Reports for Central Coast Council and Central Coast Council Water Supply Authority (contd)**

- Present fairly, in all material respects, the financial position of the Council as at 30 June 2023, 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









Options

The referral of the draft 2022-2023 Financial Reports to audit is a legislative requirement.

Critical Dates or Timeframes

Council must refer the draft 2022-2023 Financial Reports before the External Auditor will provide their formal opinion to enable Council to lodge the 2022-2023 Financial Reports for Central Coast Council with the Office of Local Government by 31 October 2023.

Attachments

1	 	2023 Financial Statements - GPFS	D15847585
2	 	2023 Financial Statements - SPFS	D15847591
3	 	2023 Financial Statements - Water Supply Authority	D15847594
4	 	2023 Financial Statements - Special Schedule	D15847598

Central Coast Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

A vibrant and sustainable Central Coast



