



Central Coast Council
Monthly Finance Report
March 2023

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18 April 2023





Financial Performance

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Date: 18 April 2023

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Financial Performance

Monthly Finance Report March 2023

Executive Summary

The purpose of the monthly Finance Report is to provide the Executive Leadership Team with monthly and consolidated financial information for Central Coast Council to enable effective financial stewardship through the provision of information relevant to operations, capital expenditure funding and cash position.

This Report is prepared in conjunction with Council's Financial Strategy, adopted by Council on 23 August 2022 and reports the following financial performance ratios:

- Operating Performance Ratio
- Unrestricted Current Ratio
- Unrestricted Cash Position
- Loan Principal Payments
- Capital Program Funding

In addition to the above KPI's, the Report also details the following key areas of Council's finances:

- Year to date operating statement for the consolidated entity, water and sewer funds and general/drainage/waste funds.
- Consolidated entity summary commentary with revenue and expenditure graphs
- Summary of capital expenditure by Directorate and funding source
- Cash and investments and borrowing position
- Year to date cashflow forecast and actual
- Restricted and unrestricted funds position

Financial Performance Ratios

Table 1 shows a summary of the financial performance ratios prepared in conjunction with Council's Financial Strategy. Refer to Appendix 1 for the calculations/formulas for each ratio.

Table 1

Financial Performance Ratio	Fund	Benchmark Ratio	Actual Ratio as at March 2023	Commentary (if applicable)
Operating Performance Ratio	Consolidated	1% - 8%	6.0%	
Unrestricted Current Ratio	Consolidated	1.5x	1.4x	This is due to the \$100M emergency loan being transferred from non-current liability to current liability as it is due to be repaid in December 2023. This is a recognised timing issue that if not applied would keep Council's unrestricted current ratio above the 1.5 benchmark.
Unrestricted Cash Position	Consolidated	3 – 10%	33.1%	Council is currently holding excess funds in all but the Water Fund to expend on community services and infrastructure.
	General & Drainage		18.8%	
	Water		1.3%	
	Sewer Domestic Waste		136.0% 17.7%	
Loan Principal Repayments	Consolidated	N/A	2.8x	
	General & Drainage		(0.1)x	
	Water		1.4x	
	Sewer		5.4x	
Capital Program Funding	Consolidated	100%	112%	Due to recent revaluation and indexation of the water fund asset base, the depreciation budget has exceeded the Capex budget, which was initially set by IPART.
	General & Drainage		124%	
	Water		55%	
	Sewer		138%	

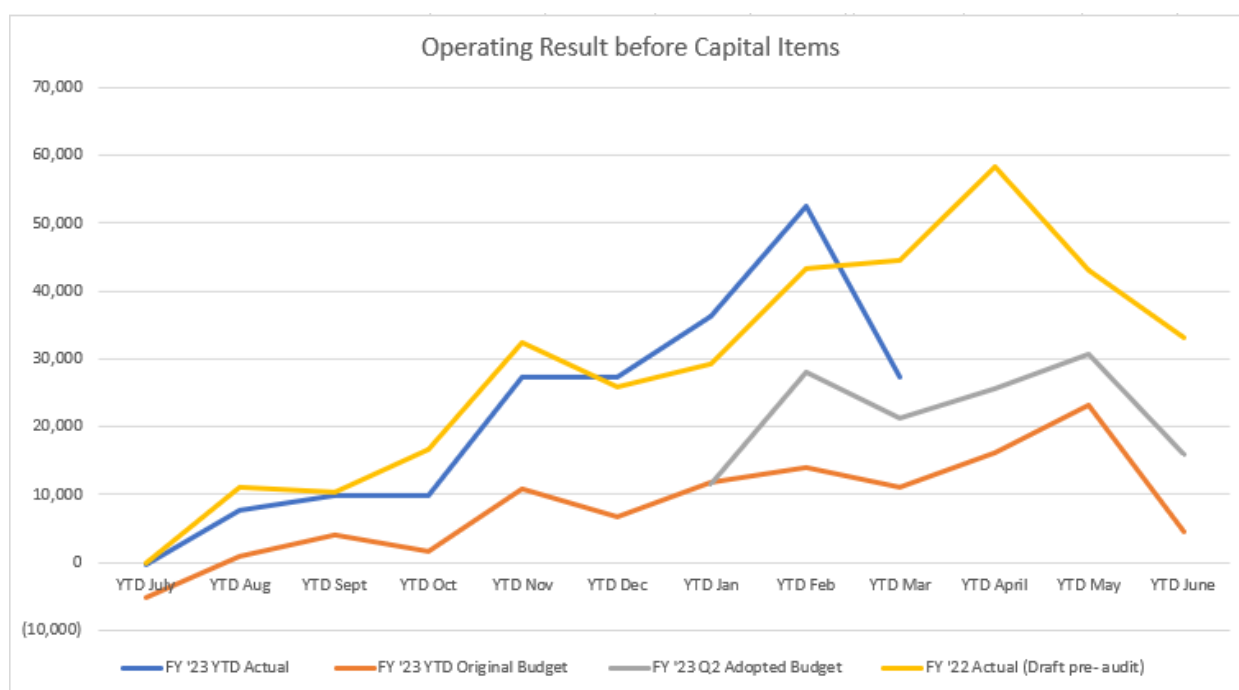
Consolidated Operating Statement

Table 2

<div>Consolidated Operating Statement</div> <div>March 2023</div> <div>Central Coast Council</div>											
	CURRENT MONTH			YEAR TO DATE				FULL YEAR			
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income											
Rates and Annual Charges	31,392	32,857	(1,464)	290,368	291,295	(327)	273,346	365,740	390,335	150	390,485
User Charges and Fees	15,545	13,135	2,410	121,419	116,998	4,421	104,112	140,237	145,542	11,478	157,020
Other Revenue	1,423	893	531	15,008	8,384	6,623	8,705	12,856	9,666	2,003	12,424
Interest	2,328	418	1,910	15,869	9,581	6,287	4,348	5,470	4,890	6,013	13,903
Grants and Contributions	1,496	2,913	(1,416)	19,619	21,628	(2,010)	19,657	47,717	34,046	14,463	48,509
Gain on Disposal	1,215	-	1,215	2,230	1,819	411	24,812	26,056	5,294	(3,476)	1,819
Other Income	968	614	354	7,276	6,686	589	5,521	7,909	7,917	597	8,514
Internal Revenue	5,409	4,343	466	44,575	44,900	(325)	49,458	68,851	58,441	931	59,372
Total Income attributable to Operations	59,777	55,772	4,005	516,962	501,292	15,670	489,959	674,838	656,131	32,160	692,046
Operating Expenses											
Employee Costs	17,582	17,633	51	127,955	133,088	5,133	120,244	162,831	180,750	648	175,606
Borrowing Costs	765	767	2	7,791	7,764	(28)	8,772	12,940	11,421	1,475	12,896
Materials and Services	22,288	23,212	924	152,644	161,539	8,895	111,723	174,256	205,479	22,094	210,815
Depreciation and Amortisation	32,672	12,012	(20,661)	129,207	108,546	(20,661)	109,950	169,041	158,781	(526)	188,045
Other Expenses	4,342	4,194	(148)	33,028	31,931	(1,097)	26,732	50,717	38,252	2,709	41,004
Loss on Disposal	2,976	-	(2,976)	2,976	-	(2,976)	230	4,469	-	200	200
Internal Expenses	4,443	3,776	(667)	36,054	36,126	72	43,259	60,136	51,691	(184)	51,507
Overheads	(0)	0	0	(0)	0	0	0	0	-	0	0
Total Expenses attributable to Operation	85,070	61,595	(23,475)	489,656	478,994	(10,661)	420,911	634,390	646,373	26,417	680,072
Operating Result after Overheads and before Capital	(25,292)	(5,823)	(19,470)	27,307	22,298	5,008	69,048	40,447	9,758	5,743	11,974
Capital Grants	4,194	5,664	(1,470)	24,498	32,163	(7,664)	20,273	35,785	55,740	(3,913)	51,827
Capital Contributions	4,479	6,540	(2,061)	14,000	18,092	(4,092)	17,223	29,841	20,143	3,049	23,192
Grants and Contributions Capital Receipts	8,673	12,204	(3,531)	38,499	50,255	(11,756)	37,496	65,626	75,883	(864)	75,019
Net Operating Result	(16,619)	6,381	(23,000)	65,805	72,553	(6,748)	106,544	106,073	85,640	4,879	86,993

Consolidated Operating Result Chart

Chart 1



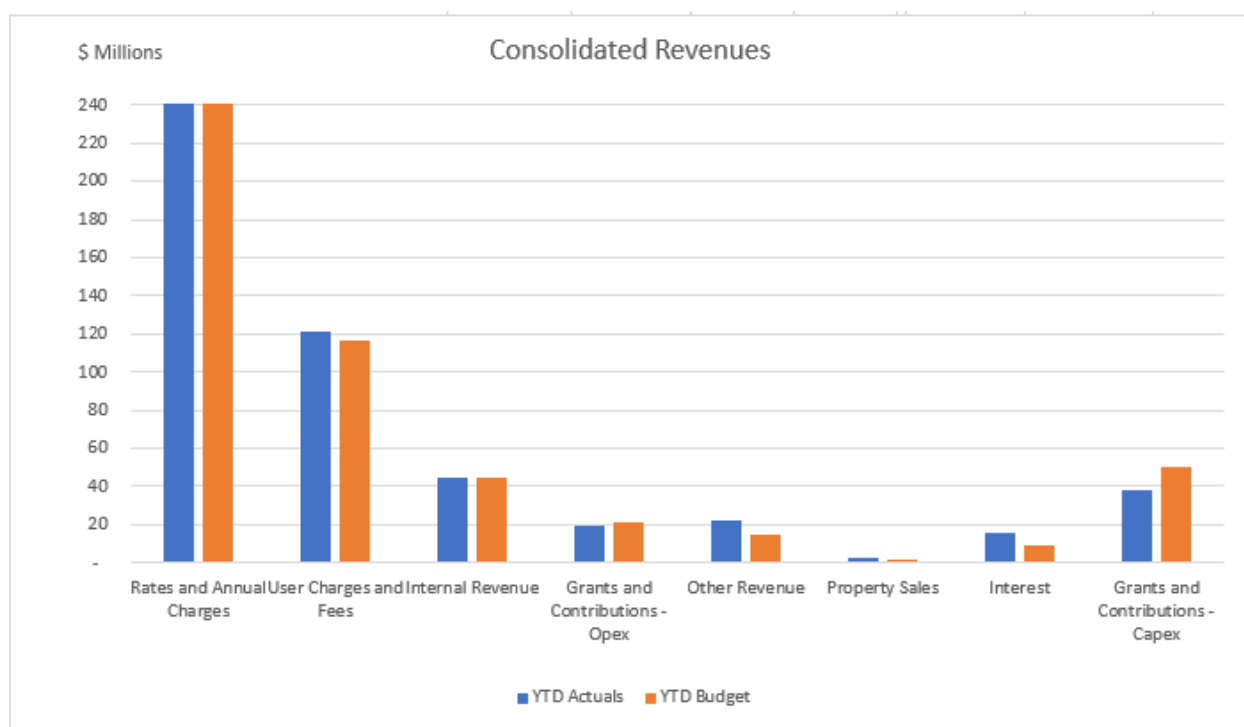
Consolidated Entity Summary Commentary

Net Result

- YTD net result (including capital revenues) to 31 March 2023 was a surplus of \$65.8M compared to the budget surplus of \$72.6M.
- YTD operating surplus (excluding capital revenues) was a surplus of \$27.3M compared to the budget surplus of \$22.3M.

Operating Revenue – \$15.7M favourable to budget

Chart 2



- **Rates and Annual Charges (0.3M)**
YTD is on track with no material variation to budget (0.1% variance). Compared to prior year YTD - \$2.3M increase in income.
- **User charges and fees +\$4.4M**
 - User charges - \$11.3M favourable variance in residential water usage income offset by \$10.9M unfavourable non-residential water usage income.
 - Fees - Favourable variance of \$1.0M attributable to pool revenue, \$1.0M holiday park income, \$0.8M tipping fees \$0.7M RMS user charges.

- **Other revenue +\$6.6M**

Favourable variance of \$4.7M due to mark to market unrealised gain on investments \$4.2M (net unrealised gain February YTD of \$3.1M), fine income \$1.0M, event/ticketing income \$0.4M, miscellaneous sales income from Leisure & Pools and Art Galleries \$0.2M, diesel fuel rebates \$0.2M, building long service levy commissions \$0.1M.

- **Interest +\$6.3M**

Favourable variance from increased interest rates and increased cash reserves due to improved trading and lower capital expenditure. Interest revenue has been adjusted in conjunction with the Q2 budget review.

- **Grants and contributions (\$2.0M)**

Unfavourable variance predominantly due to non-receipt of bushfire and emergency service grant for storm damages (\$1.9M).

- **Gain on Disposal +\$0.4M**

Unfavourable variance due to \$0.7M proceeds from disposal of plant & equipment partially offset by (\$0.3M) unfavourable variance due to reduced proceeds from disposal of operational land.

- **Other Income +\$0.6M**

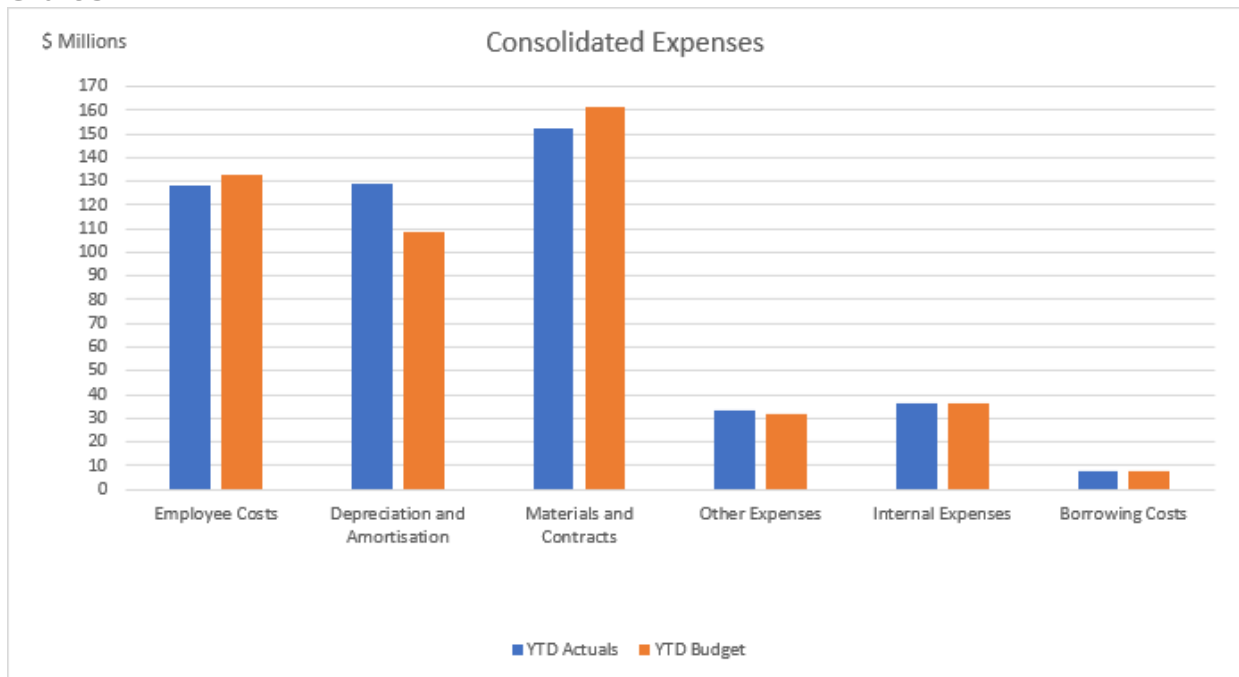
Favourable variance of \$0.4M attributable to community facilities income and \$0.1M Leisure and Pools rental income.

- **Internal revenue (\$0.3M)**

Net internal revenue is slightly unfavourable related to plant & fleet external, permanent, and casual hire.

Operating Expenses – \$10.7M favourable to budget

Chart 3



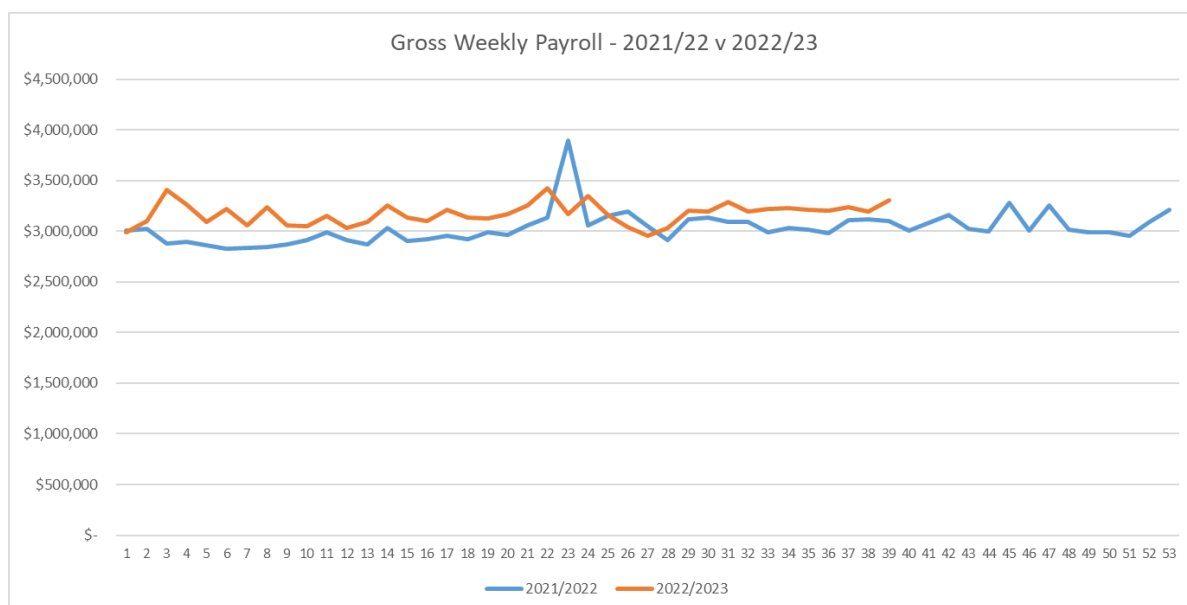
- **Employee costs +\$5.1M**

Favourable variance of \$5.1M due to FTE vacancies driving favourable variance in employee costs including direct remuneration, superannuation and workers compensation costs. This is offset in part by increased casual employee costs (\$0.4M).

The graphical representation of Gross Weekly Payroll during FY22 and FY23 YTD records upswings for week 22 and week 24 during FY23 due to large termination (redundancy) payments. Also included is the back-payment of circa 380 performance review increases to July 2022 during November / December. New employees commenced with Council in February so this increase will be reflected going forward.

FY23 weekly payments include an Award increase of 2% that came into effect in the first full pay week in July 2022.

Chart 4



- **Materials and services \$8.9M**

Favourable variance of \$5.6M attributable to reduced contract and consultant costs, \$1.4M materials purchased, \$0.9M employee training costs \$0.8M software and other licence costs, \$0.8 legal fees. Partially offset by (\$0.6M) variance in garbage collection costs.

- **Depreciation (\$20.7M)**

Unfavourable variance due to due to the finalisation of the FY2021-2022 audited asset revaluations which resulted in significant increase in all depreciable asset classes, hence increased depreciation in FY2022-2023. The review also confirmed certain assets to be demolished/removed from the assets register which results in accelerated depreciation of those assets. There has also been a significant asset capitalisation that has resulted in a catch up in depreciation for those assets.

The original budget for FY2022-2023 was based on projected depreciation at the time of development back in early 2022, when all above mentioned information was not available.

- **Other expenses (\$0.9M)**

Unfavourable variance due to mark to market unrealised loss on investments (\$1.6M) (net unrealised gain March YTD of \$2.5M), offset by lower EPA costs \$0.3M, and reduced bad debt recognition \$0.2M.

- **Loss on Disposal (\$3.0M)**

Unfavourable variance due to the demolition of old building as a result of replacement or upgrade, and the removal of buildings not owned by council.

- **Internal expenses \$0.0M**

Net internal expenditure on target

Capital Items – (\$11.8M) unfavourable to budget

- Capital Grants (\$7.6M)**

Unfavourable variance due to timing in roads and maintenance capital projects (\$8.7M) and water and sewer projects (\$1.4M) offset by Parks, Gardens and Beaches capital projects \$1.1M, Roads to Recovery \$0.5M and other small capital projects \$0.7M.

- Capital Contributions (\$4.1M)**

Unfavourable variance attributable to lower than forecast developer contribution income for Open Space contributions (\$9.0M) offset by Community Facilities \$1.5M, Roadworks \$1.5M and non-cash contributions in Water and Sewer \$1.2M and Environmental works \$0.3M plus smaller favourable variances in all other areas.

General (+ Drainage & Waste) Fund Operating Statement

Table 3

Total General (+ Drainage & Waste) Fund Operating Statement											
March 2023											
	CURRENT MONTH			YEAR TO DATE				FULL YEAR			
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income											
Rates and Annual Charges	23,567	25,133	(1,566)	226,853	226,866	(13)	222,494	295,306	302,235	150	302,385
User Charges and Fees	7,681	5,929	1,752	58,093	54,464	3,629	44,855	63,676	60,645	12,478	73,122
Other Revenue	1,301	893	408	13,947	8,384	5,563	8,599	12,750	9,666	2,003	12,424
Interest	1,783	222	1,561	12,250	6,863	5,387	3,092	3,575	2,506	5,023	10,529
Grants and Contributions	1,426	2,903	(1,476)	19,456	21,553	(2,097)	19,641	47,663	34,046	14,297	48,343
Gain on Disposal	1,215	-	1,215	2,230	1,819	411	24,812	26,010	5,294	(3,476)	1,819
Other Income	968	614	354	7,273	6,684	589	5,515	7,904	7,905	597	8,502
Internal Revenue	5,247	4,705	542	43,084	43,312	(228)	47,940	66,601	56,016	12,000	57,215
Total Income attributable to Operations	43,189	40,398	2,790	383,188	369,946	13,241	376,949	524,085	478,313	32,272	514,340
Operating Expenses											
Employee Costs	14,751	14,257	(494)	109,256	112,360	3,104	100,964	137,179	150,113	1,398	148,912
Borrowing Costs	197	199	2	1,897	1,881	(16)	2,053	4,198	3,547	1,475	5,022
Materials and Services	19,158	19,969	811	127,877	135,854	7,977	100,570	158,397	166,192	23,811	173,245
Depreciation and Amortisation	19,035	7,046	(11,989)	75,841	63,851	(11,989)	64,999	104,191	94,344	(526)	111,771
Other Expenses	4,342	4,194	(148)	32,686	31,931	(755)	26,732	47,645	38,252	2,709	41,004
Loss on Disposal	2,976	-	(2,976)	2,976	-	(2,976)	230	4,432	-	200	200
Internal Expenses	3,341	2,815	(526)	27,398	27,535	137	28,354	40,480	39,692	316	40,008
Overheads	(1,888)	(1,888)	0	(16,995)	(16,995)	0	(16,298)	(17,828)	-	(22,660)	(22,660)
Total Expenses attributable to Operations	61,912	46,592	(15,320)	360,934	356,416	(4,518)	307,605	478,694	492,742	6,723	497,501
Operating Result after Overheads and before Capital Amounts	(18,723)	(6,193)	(12,530)	22,253	13,530	8,724	69,344	45,391	(14,429)	25,549	16,839
	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	2,985	4,157	(1,172)	14,535	20,755	(6,220)	17,766	30,120	35,509	134	35,643
Capital Contributions	2,713	6,040	(3,327)	8,463	13,592	(5,129)	13,959	22,029	14,143	3,049	17,192
Grants and Contributions Capital Received	5,698	10,197	(4,499)	22,998	34,347	(11,349)	31,724	52,149	49,652	3,184	52,835
Net Operating Result	(13,024)	4,004	(17,028)	45,252	47,877	(2,625)	101,068	97,540	35,223	28,733	69,674

Water & Sewer Fund Operating Statement

Table 4

Total Water & Sewer Fund Operating Statement											
March 2023											
	CURRENT MONTH			YEAR TO DATE				FULL YEAR			
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD	Last Year Actual	Original Budget	Adopted Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income											
Rates and Annual Charges	7,825	7,724	102	64,115	64,429	(314)	50,853	69,834	88,100	-	88,100
User Charges and Fees	7,863	7,206	658	63,326	62,534	792	59,257	76,561	84,897	(1,000)	83,897
Other Revenue	122	-	122	1,060	-	1,060	105	106	-	-	-
Interest	545	196	349	3,618	2,718	900	1,256	1,895	2,384	990	3,374
Grants and Contributions	70	10	60	163	75	88	16	55	-	166	166
Gain on Disposal	-	-	-	-	-	-	-	46	-	-	-
Other Income	0	-	0	2	2	-	6	6	12	-	12
Internal Revenue	162	237	(75)	1,490	1,588	(97)	1,518	2,251	2,425	(268)	2,157
Total Income attributable to Operations	16,589	15,374	1,215	133,774	131,346	2,428	113,010	150,753	177,818	(112)	177,706
Operating Expenses											
Employee Costs	2,832	3,376	545	18,700	20,729	2,029	19,281	25,652	30,636	(750)	26,694
Borrowing Costs	568	568	(0)	5,895	5,883	(12)	6,719	8,742	7,873	0	7,873
Materials and Services	3,131	3,243	113	24,767	25,685	918	11,153	15,859	39,287	(1,717)	37,570
Depreciation and Amortisation	13,637	4,966	(8,671)	53,366	44,695	(8,671)	44,951	64,850	63,837	-	76,274
Other Expenses	-	-	-	342	-	(342)	-	3,072	-	-	-
Loss on Disposal	-	-	-	-	-	-	-	37	-	-	-
Internal Expenses	1,102	961	(141)	8,656	8,591	(65)	14,904	19,656	11,998	(500)	11,498
Overheads	1,888	1,888	-	16,995	16,995	(0)	16,298	17,828	-	22,660	22,660
Total Expenses attributable to Operations	23,158	15,003	(8,155)	128,721	122,578	(6,144)	113,306	155,696	153,632	19,694	182,571
Operating Result after Overheads and before Capital Amounts	(6,570)	371	(6,940)	5,053	8,768	(3,715)	(296)	(4,943)	24,187	(19,806)	(4,865)
	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	1,209	1,507	(298)	9,963	11,408	(1,445)	2,508	5,665	20,231	(4,047)	16,183
Capital Contributions	1,766	500	1,266	5,538	4,500	1,038	3,264	7,812	6,000	-	6,000
Grants and Contributions Capital Received	2,975	2,007	968	15,501	15,908	(407)	5,772	13,477	26,231	(4,047)	22,183
Net Operating Result	(3,595)	2,377	(5,972)	20,554	24,676	(4,122)	5,476	8,534	50,417	(23,853)	17,319

Summary Capital Expenditure by Directorate and Funding Source

Council currently has 109 active capex projects.

Table 5

Summary of Capital Expenditure					
Department	YTD Actuals	YTD Budgets	YTD Variance (\$)	YTD Variance (%)	Full Year Approved Budget
	000's	000's	000's	%	000's
01. Office of the Chief Executive Officer	-	-	-	-	-
02. Community and Recreation Services	8,670	10,284	(1,615)	-15.7%	22,143
03. Infrastructure Services	48,130	51,642	(3,513)	-6.8%	74,218
04. Water and Sewer	40,017	37,561	2,456	6.5%	62,931
05. Environment and Planning	4,361	6,038	(1,678)	-27.8%	11,505
06. Corporate Services	6,820	7,954	(1,134)	-14.3%	10,854
Total	107,997	113,480	(5,483)	-4.8%	181,650

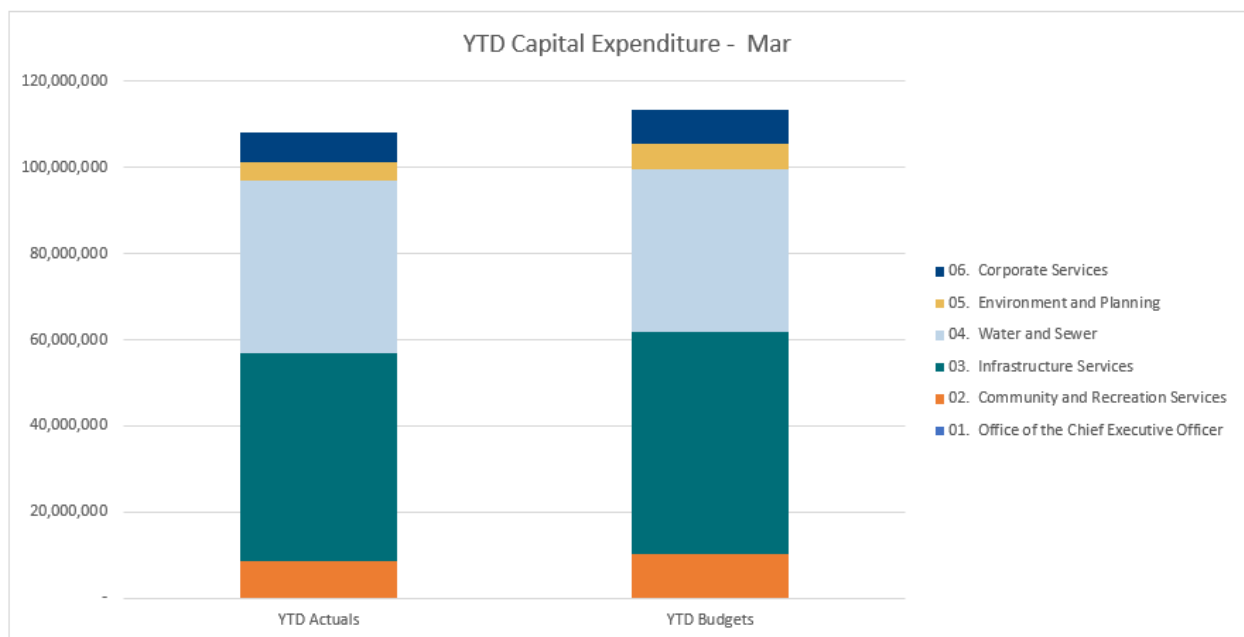
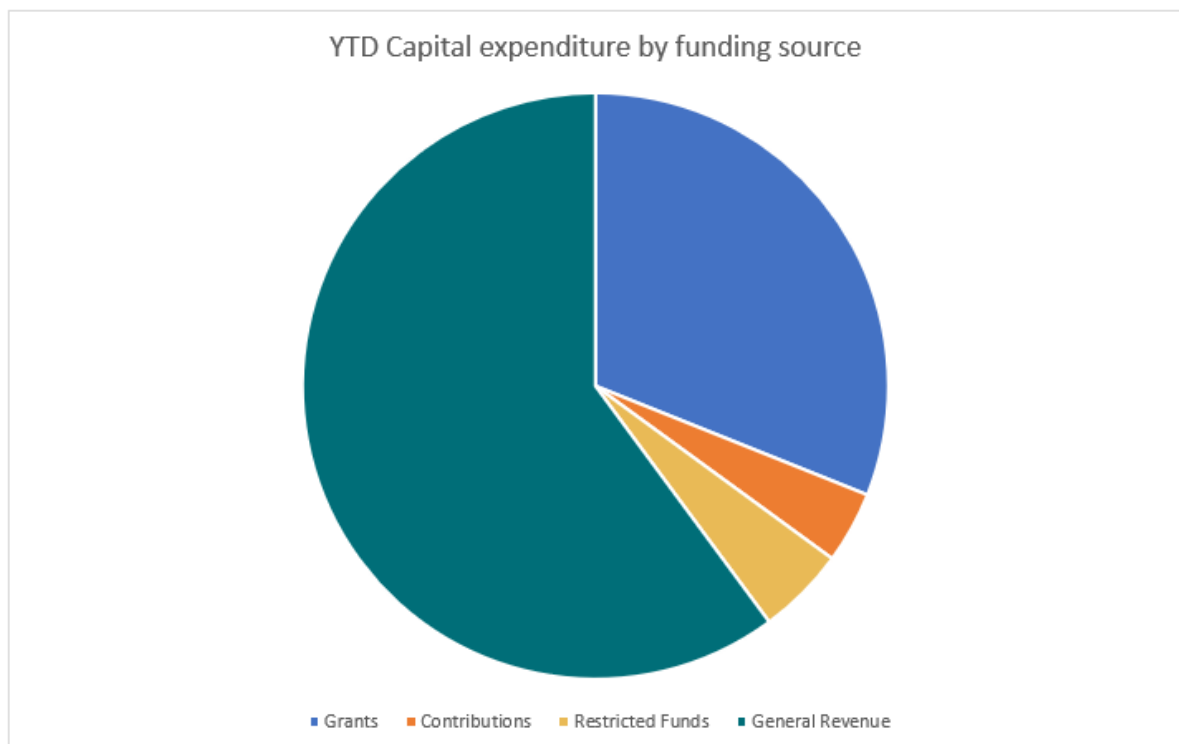


Table 6

YTD Actuals by funding source				
Department	Grants	Contributions	Restricted Funds	General Revenue
	000's	000's	000's	000's
01. Office of the Chief Executive Officer	-	-	-	-
02. Community and Recreation Services	3,551	(114)	1,798	3,435
03. Infrastructure Services	16,137	1,657	373	29,962
04. Water and Sewer	13,023	2,736	-	24,258
05. Environment and Planning	770	-	2,663	927
06. Corporate Services	62	-	422	6,336
Total	33,543	4,280	5,256	64,918



Cash/Investments and Borrowings

During March 2023, total cash and investments reduced by \$0.1M from \$706.3M to \$706.2M. External borrowings as at 31 March 2023 were \$294.0M.

Chart 5

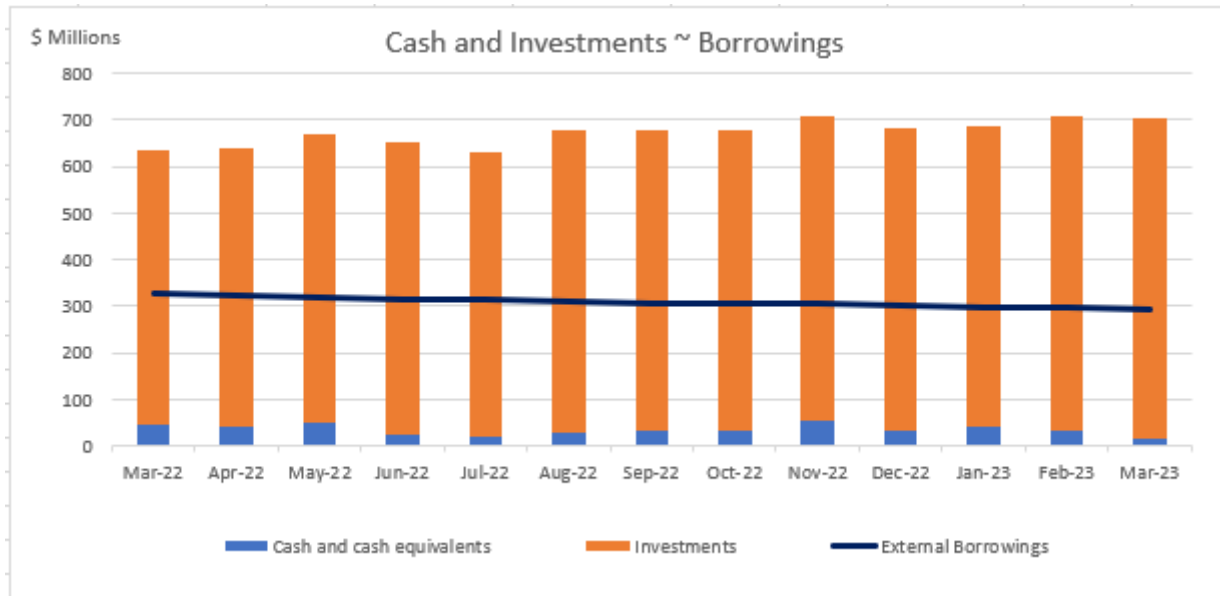


Table 7

EXTERNAL LOAN REPAYMENT SCHEDULE				
Fund	Total Loans	YTD Mar '23	Remainder FY 2023	FY 2024 onwards
	\$'000	\$'000	\$'000	\$'000
General Fund (excl emergency loans)	15,986	2,111	788	13,086
Emergency Loans	128,007	7,266	2,427	118,314
Water Fund	106,664	7,318	3,773	95,572
Sewer Fund	35,765	2,114	966	32,685
Drainage Fund	7,550	568	153	6,830
Totals	293,972	19,377	8,108	266,487

Chart 6

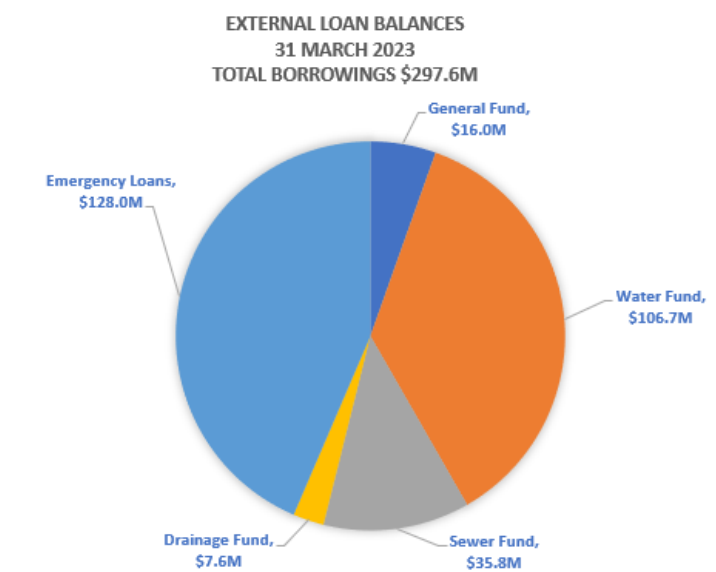


Table 8

INTERNAL LOAN REPAYMENT SCHEDULE					
Lending Fund	Borrowing Fund	Total Loans	YTD Mar '23	Remainder FY 2023	FY 2024 onwards
		\$'000	\$'000	\$'000	\$'000
General Fund	Water Fund	20,422	999	702	18,721
Sewer Fund	Water Fund	7,304	313	-	6,991
General Fund	Drainage Fund	25,703	-	-	25,703
Totals		53,429	1,312	702	51,415

YTD Cashflow Summaries

The following table records Council's actual YTD cash position to the rolling forecast (prior month + current month forecast) and the revised cash forecast to the original cash forecast to 30 June 2023.

Table 9

CONSOLIDATED CASH FLOW MOVEMENTS	Actual YTD @ 31 Mar 2023 \$'000	Rolling Forecast @31 Mar 2023 \$'000	Variance \$'000	Revised Forecast @ 30 June 2023 \$'000	Original Forecast @ 30 June 2023 \$'000
Opening cash & investments @ 1 July 2022	652,137	652,137	-	652,137	652,137
Income receipts (incl Capital grants & contributions)	545,369	535,332	10,037	756,503	726,530
Operational payments	(367,195)	(365,545)	(1,650)	(511,031)	(483,681)
Net operating cash inflow / (outflow)	178,174	169,787	8,387	245,472	242,849
Capital projects payments	(108,893)	(115,137)	6,244	(176,877)	(176,509)
Asset sales	4,229	3,710	519	4,229	24,940
Financing receipts	(0)	(0)	-	(0)	80,000
Financing repayments	(19,377)	(16,651)	(2,726)	(22,130)	(157,485)
Total cash inflow / (outflow)	54,133	41,709	12,424	50,693	13,795
Closing cash & investments @ 1 Mar 2023	706,270	693,846	12,424	702,830	665,932

Council's General Fund (incl Drainage Fund) cash position at 31 March 2023 and the forecast through to 30 June 2023 is below.

Table 10

ACTUAL v FORECAST MONTHLY CASH FLOW GENERAL FUND (incl DRAINAGE FUND)	Actual YTD @ 31 Mar 2023 \$'000	Rolling Forecast @ 31 Mar 2023 \$'000	Variance \$'000	Revised Forecast @ 30 June 2023 \$'000	Original Forecast @ 30 June 2023 \$'000
Opening cash & investments @ 1 July	407,088	407,088	0	407,088	407,088
Income receipts (incl Capital grants & contributions)	339,449	340,459	(1,010)	462,779	447,897
Operational payments	(237,815)	(238,433)	618	(320,600)	(303,844)
Net operating cash inflow / (outflow)	101,634	102,026	(391)	142,179	144,053
Capital projects payments	(70,518)	(75,249)	4,731	(103,775)	(113,579)
Asset sales	4,229	3,710	519	4,229	24,940
Financing receipts	999	766	233	999	50,000
Financing repayments	(9,946)	(7,874)	(2,072)	(9,379)	(113,314)
Total cash inflow / (outflow)	26,398	23,378	3,020	34,253	(7,900)
Closing cash & investments @ 28 February	433,486	430,466	3,020	441,341	399,188

Restricted/Unrestricted Funds

Council's cash and investment portfolio is held in separate funds as detailed below. These funds are categorised as externally restricted, internally restricted and unrestricted cash.

Refer to Appendix 2 for details regarding the internal and external restrictions, and a full listing of all restriction balances as at 31 March 2023.

Table 11

Total Funds by Fund						
Fund	General Fund	Drainage Fund	Consolidated General Fund	Water Fund	Sewer Fund	Domestic Waste Fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External Restricted Funds	201,543	38,568	240,111	13,541	20,823	99,239
Internal Restricted Funds	122,498	20	122,517	908	877	47
Total Restricted Funds	324,041	38,587	362,629	14,449	21,700	99,286
Unrestricted Funds	109,666	- 38,808	70,857	1,146	122,614	13,588
Total Funds by Fund	433,707	- 221	433,486	15,595	144,314	112,874

Note: The above table consolidates General Fund and Drainage Fund. From 1 July 2026, Drainage Fund fees and charges will no longer be regulated by IPART and will become part of Council's General Fund.

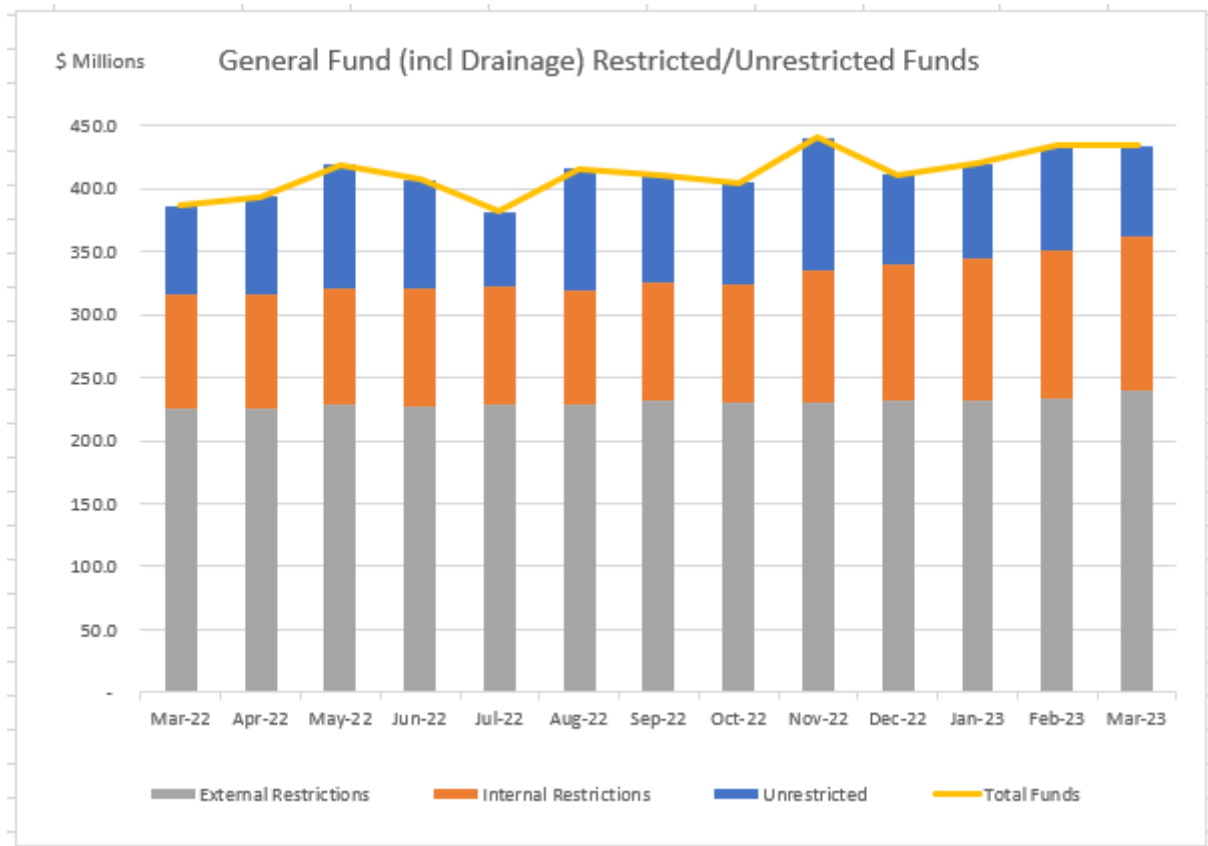
The General Fund unrestricted balance (inclusive of Council's Drainage Fund) is currently \$70.9M. The graph below highlights Council General Fund unrestricted cash position including the Drainage Fund.

In accordance with the 'Establishment of new Internal Restrictions and Update of Restricted Funds Policy' adopted at the November Council meeting, two new Internal Restrictions were

created and during February 2023, \$4.0M was transferred to the Emergency Loan Repayment restricted funds account to cover the \$50M repayment scheduled for December 2023.

The unrestricted funds balances across Council's five Funds will fluctuate during the year as revenues are received and expenditures occur at different periods throughout the financial year.

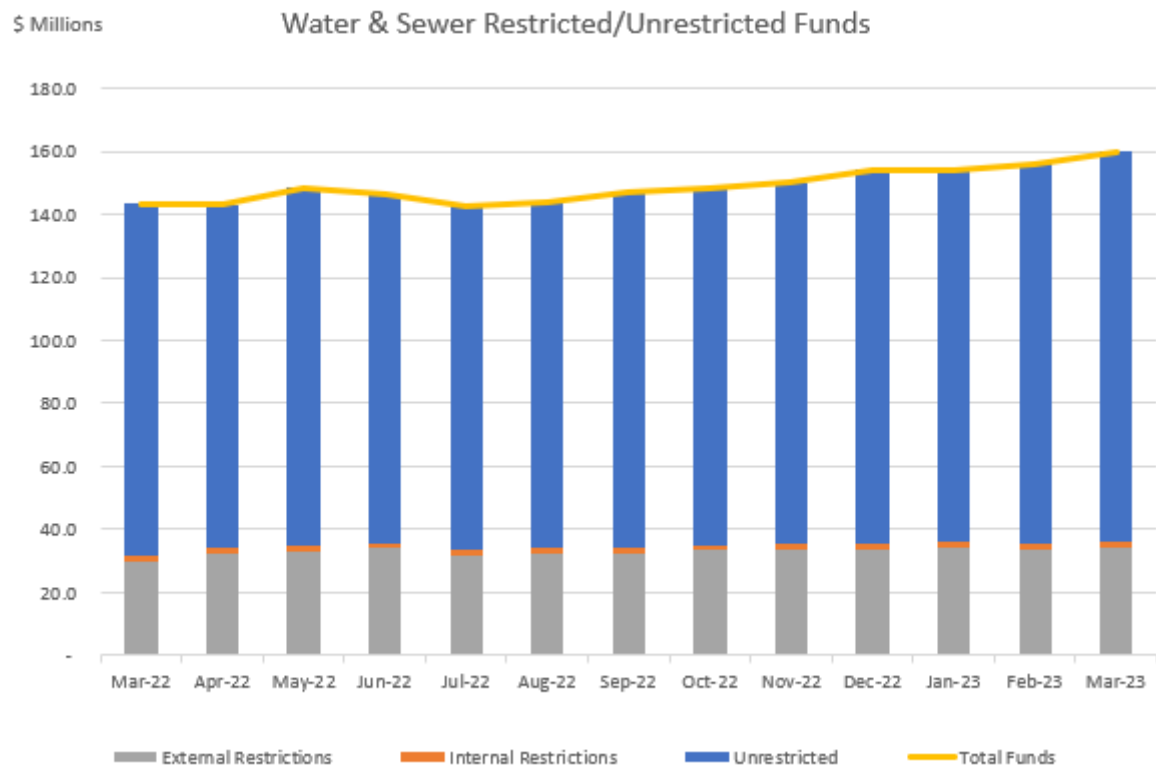
Chart 7



The graph below shows the net position of restricted and unrestricted funds for Water and Sewer. The unrestricted amount for each fund is as follows:

- Water Fund \$1.1M
- Sewer Fund \$122.6M

Chart 8



Appendix 1 – Financial Operating Ratios Calculations/Formulas

Operating Performance Ratio

The Operating performance ratio measures Council's achievement of containing operating expenditure within operating revenue and is set between 1% and 8%. It is calculated as

$$= \frac{\text{Total continuing operating revenue (excluding capital grants and contributions) less operating expenses}}{\text{Total continuing operating revenue (excluding capital grants and contributions)}}$$

Unrestricted Current Ratio

The unrestricted current ratio identifies whether there are sufficient funds available to meet short term obligations and is set at the industry benchmark of 1.5. It is calculated as

$$= \frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

Unrestricted Cash Position

Unrestricted Cash are funds available to cover operational needs and unexpected or emergency costs within each fund. Council will aim to maintain unrestricted cash in each fund and set a target band of between 3% and 10% for each fund. This will monitor the targeted use of unrestricted funds on community services and infrastructure. It is calculated as

$$= \frac{\text{Unrestricted Funds}}{\text{Total continuing operating revenue (excluding capital grants and contributions)}}$$

Loan Principal Repayments

The operating result (excluding capital grants and contributions) for each fund for the year plus if necessary, pre-existing unrestricted cash reserves in each fund needs to at least cover the net loan principal repayments of that fund for that same year. This excludes the emergency loans in the General Fund as the balance is repaid under different terms set by the lending institutions. Loan repayment coverage is calculated as

$$= \frac{\text{YTD operating revenue (excluding capital grants and contributions) less operating expenses}}{\text{YTD loan principal repayments}}$$

Capital Program Funding

Council's intent is to provide at least sufficient funds from operations for the capital budget to replace assets as they fall due. The depreciation target is currently used as a proxy for the long-term annual funding requirement to replace Council's assets at their gross replacement value.

Council will aim to achieve the industry benchmark of 100% in each fund. Capital funding ratio is calculated as

$$= \frac{\text{YTD Capital budget}}{\text{YTD Depreciation expense}}$$

Appendix 2 – Internal & External Restrictions

Externally restricted funds include developer contributions of \$205.2M categorised as:

- S7.11 Contributions \$155.1M
- S7.12 Levies \$ 16.9M
- S7.4 Planning agreements \$ 5.8M
- S64 Contributions – Water \$ 9.0M
- S64 Contributions – Sewer \$ 18.6M

Restrictions balance as at 31st March 2023

Natural Account	2022/23 Opening Balance	2022/23 YTD Movement	Total Restrictions as at Mar 2023
3.1.1.02. External Restrictions			
120001. External Restrictions (Developer Contributions General)	26,292,295	0	26,292,295
120002. External Restrictions (Developer Contributions Drainage)	7,386,849	0	7,386,849
120003. External Restrictions (Developer Contributions Water Supply)	486,836	0	486,836
120004. External Restrictions (Developer Contributions Sewerage Services)	12,614,983	0	12,614,983
120006. External Restrictions (Developer Contributions Bonus Provisions)	4,605,545	0	4,605,545
120007. External Restrictions (Developer Contributions Section 94A Levy)	9,642,835	0	9,642,835
120101. External Restrictions (VPA Wyong)	3,570,000	0	3,570,000
122001. External Restrictions (Unexpended Grants)	13,313,894	6,969,222	20,283,116
122801. External Restrictions (Transport for NSW advances)	0	1,120,569	1,120,569
122901. External Restrictions (Self Insurance Claims)	8,297,000	0	8,297,000
123001. External Restrictions (Stormwater Levy)	571,492	(1,329)	570,162
123101. External Restrictions (Caravan Park Surplus)	14,721,405	139,094	14,860,499
123201. External Restrictions (Cemeteries Surplus)	609,041	(52,377)	556,664
123202. External Restrictions (Coastal Open Space)	6,732,191	130,343	6,862,534
123204. External Restrictions (Biobanking)	320,608	(0)	320,608
123207. External Restrictions (Crown Land Business Enterprises)	1,676,319	222,473	1,898,792
123208. External Restrictions (Crown Land Patonga Camping Ground)	1,070,864	209,207	1,280,070
123209. External Restriction (The Entrance Town Centre Special Rate Levy)	0	21,851	21,851
123210. External Restriction (Toukley Town Centre Special Rate Levy)	0	33,411	33,411
123213. External Restrictions (Tourism Special Rate Levy)	3,477,924	(11,421)	3,466,504
123215. External Restrictions (Gosford Parking Station Special Rate Levy)	943,224	352,203	1,295,427
124001. External Restrictions (Other External Restrictions)	481,682	(117,936)	363,747
220001. External Restrictions (Developer Contributions General NC)	83,103,722	8,685,780	91,789,502
220002. External Restrictions (Developer Contributions Drainage NC)	28,674,473	988,940	29,663,413
220003. External Restrictions (Developer Contributions Water Supply NC)	5,722,207	2,543,907	8,266,114
220004. External Restrictions (Developer Contributions Sewerage Services NC)	5,827,339	192,332	6,019,671
220006. External Restrictions (Developer Contributions Bonus Provisions NC)	1,011,933	167,284	1,179,217
220007. External Restrictions (Developer Contributions Section 94A Levy NC)	8,734,515	(1,458,097)	7,276,418
220101. External Restrictions (VPA Wyong NC)	2,099,932	95,816	2,195,748
222001. External Restrictions (Unexpended Grants NC)	2,254,723	0	2,254,723
223011. External Restrictions (Domestic Waste Management NC)	97,418,515	1,820,790	99,239,305
Total 3.1.1.02. External Restrictions	351,662,348	22,052,061	373,714,409

Natural Account	2022/23 Opening Balance	2022/23 YTD Movement	Total Restrictions as at Mar 2023
3.1.1.03. Internal Restrictions			
130001. Internal Restrictions (Employee Leave Entitlements)	11,173,093	0	11,173,093
130100. Internal Restrictions (Tip Rehabilitation)	810,835	(150,524)	660,312
130200. Internal Restrictions (Land Development)	5,073,701	(211,159)	4,862,542
131008. Internal Restrictions (Davistown Wetland)	1,436,049	0	1,436,049
131025. Internal Restrictions (Regional Library)	11,569,666	0	11,569,666
131035. Internal Restrictions (St Huberts Drainage Licence Fee)	620,797	62,639	683,436
131037. Internal Restrictions (Waste Disposal Facility)	24,211,509	6,339,832	30,551,340
131038. Internal Restrictions (Emergency Services Levy savings)	338,854	0	338,854
131039. Internal Restrictions (Employment Generating Projects)	3,155,176	(164,822)	2,990,354
131040. Internal Restrictions (Emergency Loans Repayments)	0	20,000,000	20,000,000
131041. Internal Restrictions (Future Projects Reserve)	0	5,000,000	5,000,000
133001. Internal Restrictions (Section 355 Advances and Deposits)	458,848	(17,733)	441,115
230100. Internal Restrictions (Tip Rehabilitation NC)	34,642,650	0	34,642,650
Total 3.1.1.03. Internal Restrictions	93,491,177	30,858,233	124,349,410
Grand Total	445,153,525	52,910,294	498,063,819



Consolidated and Fund Monthly Financial Reports

March 2023



March 2023

	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	31,392	32,857	(1,464)	290,968	291,295	(327)	273,346	365,740	390,335	150	0	390,485
User Charges and Fees	15,545	13,135	2,410	121,419	116,998	4,421	104,112	140,237	145,542	11,478	-	157,020
Other Revenue	1,423	893	531	15,008	8,384	6,623	8,705	12,856	9,666	2,003	755	12,424
Interest	2,328	418	1,910	15,869	9,581	6,287	4,348	5,470	4,890	6,013	3,000	13,903
Grants and Contributions	1,496	2,913	(1,416)	19,619	21,628	(2,010)	19,657	47,717	34,046	14,463	-	48,509
Gain on Disposal	1,215	-	1,215	2,230	1,819	411	24,812	26,056	5,294	(3,476)	-	1,819
Other Income	968	614	354	7,276	6,686	589	5,521	7,909	7,917	597	-	8,514
Internal Revenue	5,409	4,943	466	44,575	44,900	(325)	49,458	68,851	58,441	931	-	59,372
Total Income attributable to Operations	59,777	55,772	4,005	516,962	501,292	15,670	489,959	674,838	656,131	32,160	3,755	692,046
Operating Expenses												
Employee Costs	17,582	17,633	51	127,955	133,088	5,133	120,244	162,831	180,750	648	(5,792)	175,606
Borrowing Costs	765	767	2	7,791	7,764	(28)	8,772	12,940	11,421	1,475	-	12,896
Materials and Services	22,288	23,212	924	152,644	161,539	8,895	111,723	174,256	205,479	22,094	(16,758)	210,815
Depreciation and Amortisation	32,672	12,012	(20,661)	129,207	108,546	(20,661)	109,950	169,041	158,781	(526)	29,790	188,045
Other Expenses	4,342	4,194	(148)	33,028	31,931	(1,097)	26,732	50,717	38,252	2,709	42	41,004
Loss on Disposal	2,976	-	(2,976)	2,976	-	(2,976)	230	4,469	-	200	-	200
Internal Expenses	4,443	3,776	(667)	36,054	36,126	72	43,259	60,136	51,691	(184)	-	51,507
Overheads	(0)	0	0	(0)	0	0	0	0	-	0	-	0
Total Expenses attributable to Operations	85,070	61,595	(23,475)	489,656	478,994	(10,661)	420,911	634,390	646,373	26,417	7,282	680,072
Operating Result after Overheads and before Capital Amounts	(25,292)	(5,823)	(19,470)	27,307	22,298	5,008	69,048	40,447	9,758	5,743	(3,527)	11,974
Capital Grants	4,194	5,664	(1,470)	24,498	32,163	(7,664)	20,273	35,785	55,740	(3,913)	-	51,827
Capital Contributions	4,479	6,540	(2,061)	14,000	18,092	(4,092)	17,223	29,841	20,143	3,049	-	23,192
Grants and Contributions Capital Received	8,673	12,204	(3,531)	38,499	50,255	(11,756)	37,496	65,626	75,883	(864)	-	75,019
Net Operating Result	(16,619)	6,381	(23,000)	65,805	72,553	(6,748)	106,544	106,073	85,640	4,879	(3,527)	86,993

[illegible]

20. Water Fund Operating Statement

March 2023



	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	1,923	1,847	76	15,936	15,981	(45)	8,262	12,147	22,406	-	-	22,406
User Charges and Fees	5,734	5,272	462	47,801	47,191	611	44,630	56,577	63,439	(1,000)	-	62,439
Other Revenue	15	-	15	88	-	88	3	(0)	-	-	-	-
Interest	76	22	54	479	326	153	210	318	258	133	-	391
Grants and Contributions	34	10	24	63	25	38	11	34	-	116	-	116
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	0	-	0	2	2	0	6	6	12	-	-	12
Internal Revenue	128	203	(75)	1,174	1,267	(93)	1,180	1,201	1,913	(268)	-	1,645
Total Income attributable to Operations	7,910	7,353	557	65,543	64,792	751	54,301	70,282	88,028	(1,019)	-	87,009
Operating Expenses												
Employee Costs	1,368	1,658	290	8,796	9,549	753	9,294	12,562	15,856	(1,822)	-	14,034
Borrowing Costs	402	402	0	4,217	4,222	5	4,604	6,059	5,657	0	-	5,657
Materials and Services	1,468	1,606	138	11,351	12,347	996	5,747	8,247	18,075	(182)	-	17,893
Depreciation and Amortisation	7,264	2,363	(4,901)	26,168	21,266	(4,901)	21,334	30,814	30,258	-	7,044	37,302
Other Expenses	-	-	-	23	-	(23)	-	52	-	-	-	-
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	609	475	(133)	4,528	4,351	(177)	7,552	9,661	6,233	(372)	-	5,861
Overheads	931	931	-	8,381	8,381	(0)	7,993	8,759	-	11,175	-	11,175
Total Expenses attributable to Operations	12,042	7,435	(4,607)	63,465	60,118	(3,347)	56,524	76,153	76,079	8,799	7,044	91,922
Operating Result after Overheads and before Capital Amounts	(4,132)	(82)	(4,050)	2,078	4,674	(2,596)	(2,223)	(5,872)	11,949	(9,818)	(7,044)	(4,913)
Capital Grants	100	627	(526)	1,639	3,149	(1,509)	2,317	3,675	7,531	(2,213)	-	5,317
Capital Contributions	967	286	680	2,981	2,577	404	1,846	5,043	3,436	-	-	3,436
Grants and Contributions Capital Received	1,067	913	154	4,620	5,726	(1,105)	4,163	8,718	10,966	(2,213)	-	8,753
Net Operating Result	(3,065)	831	(3,896)	6,698	10,400	(3,701)	1,940	2,847	22,915	(12,032)	(7,044)	3,840

30. Sewer Fund Operating Statement

March 2023



	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	5,902	5,877	25	48,179	48,448	(269)	42,591	57,687	65,695	-	-	65,695
User Charges and Fees	2,130	1,934	196	15,524	15,344	181	14,627	19,984	21,458	-	-	21,458
Other Revenue	107	-	107	973	-	973	102	106	-	-	-	-
Interest	469	175	294	3,139	2,392	747	1,046	1,578	2,126	857	-	2,983
Grants and Contributions	36	-	36	100	50	50	5	21	-	50	-	50
Gain on Disposal	-	-	-	-	-	-	-	46	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	34	35	(0)	317	321	(4)	338	1,050	512	-	-	512
Total Income attributable to Operations	8,679	8,021	658	68,231	66,554	1,677	58,709	80,471	89,791	907	-	90,698
Operating Expenses												
Employee Costs	1,464	1,719	255	9,904	11,179	1,276	9,986	13,090	14,781	1,072	(3,192)	12,660
Borrowing Costs	166	166	(0)	1,678	1,660	(17)	2,115	2,684	2,217	0	-	2,217
Materials and Services	1,662	1,637	(25)	13,416	13,338	(77)	5,407	7,612	21,211	(1,534)	-	19,677
Depreciation and Amortisation	6,373	2,603	(3,770)	27,198	23,428	(3,770)	23,617	34,036	33,578	-	5,394	38,972
Other Expenses	-	-	-	319	-	(319)	-	3,020	-	-	-	-
Loss on Disposal	-	-	-	-	-	-	-	37	-	-	-	-
Internal Expenses	493	486	(7)	4,128	4,239	112	7,352	9,995	5,765	(128)	-	5,637
Overheads	957	957	-	8,614	8,614	(0)	8,305	9,069	-	11,485	-	11,485
Total Expenses attributable to Operations	11,116	7,568	(3,548)	65,257	62,460	(2,797)	56,782	79,543	77,552	10,895	2,202	90,649
Operating Result after Overheads and before Capital Amounts	(2,437)	453	(2,890)	2,975	4,094	(1,119)	1,927	928	12,238	(9,988)	(2,202)	49
Capital Grants	1,109	880	229	8,324	8,259	65	190	1,990	12,700	(1,834)	-	10,866
Capital Contributions	799	214	586	2,557	1,923	634	1,419	2,769	2,564	-	-	2,564
Grants and Contributions Capital Received	1,908	1,094	814	10,881	10,182	698	1,609	4,759	15,264	(1,834)	-	13,430
Net Operating Result	(529)	1,547	(2,076)	13,856	14,277	(421)	3,536	5,687	27,503	(11,822)	(2,202)	13,479

40. Drainage Fund Operating Statement

March 2023



	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	1,632	1,616	16	14,158	14,099	59	11,701	15,557	18,799	-	-	18,799
User Charges and Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	7	-	7	-	-	-	-	-	-
Interest	6	4	2	50	52	(2)	39	65	49	16	-	65
Grants and Contributions	11	-	11	23	59	(36)	48	62	54	180	-	234
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	53	-	-	-	-
Total Income attributable to Operations	1,649	1,621	29	14,238	14,210	28	11,787	15,737	18,901	196	-	19,098
Operating Expenses												
Employee Costs	236	145	(92)	1,579	1,301	(278)	1,058	1,591	1,735	-	-	1,735
Borrowing Costs	32	32	0	352	296	(56)	344	477	392	(0)	-	392
Materials and Services	141	329	188	1,110	1,976	866	244	841	2,838	40	-	2,878
Depreciation and Amortisation	1,977	994	(983)	9,930	8,947	(983)	8,947	13,652	12,006	-	-	12,006
Other Expenses	-	-	-	1	-	(1)	1	32	-	-	-	-
Loss on Disposal	154	-	(154)	154	-	(154)	-	-	-	-	-	-
Internal Expenses	372	222	(150)	2,718	2,546	(172)	1,190	2,005	2,455	739	-	3,194
Overheads	228	228	-	2,054	2,054	(0)	2,260	2,323	-	2,738	-	2,738
Total Expenses attributable to Operations	3,140	1,950	(1,191)	17,897	17,120	(777)	14,045	20,920	19,426	3,517	-	22,943
Operating Result after Overheads and before Capital Amounts	(1,491)	(329)	(1,162)	(3,659)	(2,910)	(749)	(2,258)	(5,183)	(525)	(3,321)	-	(3,845)
Capital Grants	-	71	(71)	264	383	(118)	465	1,246	1,762	-	-	1,762
Capital Contributions	307	500	(193)	919	1,170	(251)	1,283	1,157	-	1,440	-	1,440
Grants and Contributions Capital Received	307	571	(264)	1,184	1,553	(369)	1,748	2,403	1,762	1,440	-	3,202
Net Operating Result	(1,184)	242	(1,426)	(2,475)	(1,357)	(1,118)	(510)	(2,780)	1,238	(1,881)	-	(643)

50. Domestic Waste Fund

Operating Statement

March 2023



	CURRENT MONTH			YEAR TO DATE				FULL YEAR				
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Adopted Changes	Proposed Changes	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income												
Rates and Annual Charges	6,150	6,458	(308)	57,712	57,250	463	58,103	76,227	76,473	150	-	76,623
User Charges and Fees	1	-	1	57	-	57	33	34	-	-	-	-
Other Revenue	-	-	-	-	-	-	2	2	-	10	-	10
Interest	19	8	11	147	73	75	157	222	97	-	-	97
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Gain on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	(0)	0	25	28	(3)	17	17	33	(5)	-	28
Total Income attributable to Operations	6,170	6,466	(296)	57,941	57,350	591	58,311	76,501	76,604	155	-	76,758
Operating Expenses												
Employee Costs	90	79	(10)	514	567	53	504	664	771	-	-	771
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Services	3,353	3,035	(318)	25,058	24,811	(247)	23,334	30,733	31,564	1,310	-	32,874
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,305	1,327	21	12,115	12,060	(54)	11,837	15,750	15,800	240	-	16,040
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Internal Expenses	1,056	1,058	1	11,602	11,599	(4)	8,937	12,572	15,829	(17)	-	15,813
Overheads	730	730	-	6,567	6,567	0	6,818	7,999	-	8,756	-	8,756
Total Expenses attributable to Operations	6,534	6,228	(305)	55,856	55,604	(252)	51,429	67,718	63,965	10,289	-	74,254
Operating Result after Overheads and before Capital Amounts	(364)	238	(602)	2,085	1,746	339	6,881	8,783	12,639	(10,134)	-	2,505
Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions Capital Received	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result	(364)	238	(602)	2,085	1,746	339	6,881	8,783	12,639	(10,134)	-	2,505