

Strathbogie Shire Council

Mid-year Budget Review: Financial Statements

2022 - 2023



Strathbogie
SHIRE COUNCIL

Strathbogie Shire Council
Mid-year budget review – 2022/23
Comprehensive Income Statement

	Period ended 31 December 2022			Budget 2022/23			
	Actual YTD \$ Dec 2022	Budget YTD \$ Dec 2022	Variance YTD \$ Dec 2022	Adopted Budget \$	Mid Year Review \$	Variance \$	Notes
Income							
Rates and charges	21,128,135	21,080,413	47,722	21,080,413	21,080,413	-	
Statutory fees and fines	319,045	343,896	(24,851)	687,800	692,873	5,073	
User fees	445,616	349,994	95,622	568,350	681,750	113,400	1
Grants - operating	3,689,219	3,567,957	121,262	7,075,437	9,009,656	1,934,219	2
Grants - capital	4,339,892	1,826,844	2,513,048	3,728,688	7,361,655	3,632,967	3
Contributions - monetary	232,669	206,254	26,415	412,500	424,750	12,250	
Net gain on disposal of property, infrastructure, plant and equipment	19,069	120,000	(100,931)	50,000	50,000	-	
Other income	302,504	201,864	100,640	540,384	844,384	304,000	4
Total income	30,476,149	27,697,222	2,778,927	34,143,572	40,145,481	6,001,909	
Expenses							
Employee costs	(6,427,100)	(6,109,029)	(318,071)	12,021,570	12,111,570	90,000	5
Materials and services	(6,187,555)	(6,912,304)	724,749	13,569,329	15,740,508	2,171,179	6
Depreciation	(3,177,036)	(3,038,286)	(138,750)	6,076,600	6,076,600	-	
Amortisation - right of use assets	-	-	-	183,535	183,535	-	
Bad and doubtful debts	(157)	-	(157)	5,000	5,000	-	
Borrowing costs	(5,506)	(6,958)	1,452	84,933	84,933	-	
Finance costs - leases	-	-	-	11,019	11,019	-	
Other expenses	(151,822)	(187,548)	35,726	331,099	396,099	65,000	7
Total expenses	(15,949,177)	(16,254,125)	304,948	32,283,085	34,609,264	2,326,179	
Surplus/(deficit) for the period	14,526,972	11,443,097	3,083,875	1,860,487	5,536,217	3,675,730	

Financial Performance Overview

Income

Note 1 - Increase in user fee is mainly due to additional income on saleyard scanning fees (\$77k), increased income projected for Nagambie regatta centre (\$20k) and Euroa Cinema (\$10k).

Note 2 - Increase in operating grant is mainly due to projected grant income for October'22 flood event expenses (\$1.5m), increased grant income from Grant Commission general purpose and Local Road Grant (\$129k) and carried forward of unspent grant from 2021/22.

Note 3 - Increase in capital grant is due to carried forward of unspent grant from 2021/22: nagambie foreshore walk (\$2,596k) and Euroa rail precinct master plan (\$80k) and recording of transfer station upgrade grant (\$290k) and Balmattum Hill mountain bike trail planning grant (\$159k).

Note 4 - Increase in other income is mainly due to increased interest income projected due to higher interest rate (\$290k) and additional income projected from lease income (\$30k).

Expense

Note 5 - Increase in employee expense is due to allocation of additional hours for after hours call out emergency phone allowance (\$30k) and extended contract for HR advisor (\$60k).

Note 6 - Increase in material and services cost is mainly due to flood recovery expenses \$1.5m, reallocation of capital budget to operating expenditure to facilitate preparation of stormwater management plan (93k), Euroa caravan park maintenance expense as per lease agreement (\$91k), saleyard scanning fee expense which offset by scanning fee income (\$75k) and expense on Nagambie splash park maintenance (\$65k).

Note 7 - Increase in Other expenses is due to Electoral representation review expense (\$65k).

Strathbogie Shire Council
Mid-year budget review – 2022/23
Balance Sheet

	Period ended 31 December 2022			Budget 2022/23		
	Actual YTD \$ Dec 2022	Budget YTD \$ Dec 2022	Variance YTD \$ Dec 2022	Adopted Budget \$	Mid Year Review \$	Variance \$
Assets						
Current assets						
Cash and cash equivalents	2,679,466	2,439,236	240,230	6,295,000	13,650,264	7,355,264
Trade and other receivables	13,725,188	13,112,000	613,188	2,741,000	2,545,750	(195,250)
Other financial assets	20,800,000	10,000,000	10,800,000	-	-	-
Inventories	41,105	5,000	36,105	5,000	16,177	11,177
Non-current assets classified as held for sale	417,384	-	417,384	-	-	-
Other assets	25,238	115,000	(89,762)	115,000	399,582	284,582
Total current assets	37,688,381	25,671,236	12,017,145	9,156,000	16,611,773	7,455,773
Non-current assets						
Trade and other receivables	-	-	-	-	21,903	21,903
Other financial assets	2,032	-	2,032	-	2,032	2,032
Investments in associates, joint arrangements and subsidiaries	260,774	243,000	17,774	243,000	260,774	17,774
Property, infrastructure, plant and equipment	325,372,215	297,895,074	27,477,141	309,604,000	339,344,721	29,740,721
Right-of-use assets	790,874	291,000	499,874	291,000	270,670	(20,330)
Intangible assets	-	-	-	120,000	187,184	67,184
Total non-current assets	326,425,895	298,429,074	27,996,821	310,258,000	340,087,284	29,829,284
Total assets	364,114,276	324,100,310	40,013,966	319,414,000	356,699,057	37,285,057
Liabilities						
Current liabilities						
Trade and other payables	879,633	1,472,200	(592,567)	3,154,000	3,166,761	12,761
Trust funds and deposits	1,649,586	600,000	1,049,586	477,000	634,913	157,913
Provisions	4,079,508	3,341,000	738,508	3,341,000	3,179,256	(161,744)
Unearned income	-	84,000	(84,000)	84,000	84,000	-
Interest-bearing liabilities	49,152	79,500	(30,348)	267,000	259,398	(7,602)
Lease liabilities	-	-	-	178,000	178,000	-
Total current liabilities	6,657,880	5,576,700	1,081,180	7,501,000	7,502,328	1,328
Non-current liabilities						
Trust funds and deposits	52,731	-	52,731	-	52,731	52,731
Provisions	3,159,261	2,409,000	750,261	2,409,000	1,404,617	(1,004,383)
Interest-bearing liabilities	94,868	95,000	(132)	3,245,000	3,279,270	34,270
Lease liabilities	811,668	290,000	521,668	112,000	113,000	1,000
Total non-current liabilities	4,118,529	2,794,000	1,324,529	5,766,000	4,849,618	(916,382)
Total liabilities	10,776,409	8,370,700	2,405,709	13,267,000	12,351,946	(915,054)
Net assets	353,337,868	315,729,610	37,608,258	306,147,000	344,347,111	38,200,111
Equity						
Accumulated surplus	126,819,331	127,898,610	(1,079,279)	118,316,000	117,828,574	(487,426)
Reserves	226,518,537	187,831,000	38,687,537	187,831,000	226,518,537	38,687,537
Total Equity	353,337,868	315,729,610	37,608,258	306,147,000	344,347,111	38,200,111

Strathbogie Shire Council
Mid-year budget review – 2022/23
Statement of Cash Flows

	Period ended 31 December 2022			Budget 2022/23		
	Actual YTD \$ Dec 2022	Budget YTD \$ Dec 2022	Variance YTD \$ Dec 2022	Adopted Budget \$	Mid Year Review \$	Variance \$
Cash flows from operating activities						
Rates and charges	11,817,812	10,540,000	1,277,812	21,080,000	21,378,101	298,101
Statutory fees and fines	319,045	344,000	(24,955)	688,000	692,873	4,873
User fees	407,668	284,000	123,668	568,000	1,231,750	663,750
Grants - operating	3,234,560	3,567,957	(333,397)	2,566,000	8,528,534	5,962,534
Grants - capital	1,788,884	1,826,844	(37,960)	3,729,000	4,770,131	1,041,131
Contributions - monetary	232,669	206,254	26,415	413,000	424,750	11,750
Interest received	1,967	90,500	(88,533)	181,000	350,000	169,000
Other receipts	112,714	(117,500)	230,214	(235,000)	494,384	729,384
Net GST refund/payment	541,765	1,104,000	(562,235)	2,208,000	2,147,568	(60,432)
Employee costs	(6,453,203)	(6,441,000)	(12,203)	(11,782,000)	(12,043,570)	(261,570)
Materials and services	(7,479,012)	(7,028,878)	(450,134)	(12,858,000)	(17,362,746)	(4,504,746)
Trust funds and deposits repaid	49,580	-	49,580	-	-	-
Other payments	(151,823)	(165,500)	13,677	(331,000)	(401,099)	(70,099)
Net cash provided by/(used in) operating activities	4,422,626	4,210,677	211,949	6,227,000	10,210,676	3,983,676
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(4,121,531)	(10,735,441)	6,613,910	(24,292,000)	(23,071,616)	1,220,384
Proceeds from sale of property, infrastructure, plant & equipment	27,369	120,000	(92,631)	240,000	240,000	-
Payments for investments - Other Financial Assets	1,000,000	7,500,000	(6,500,000)			-
Net cash provided by/(used in) investing activities	(3,094,163)	(3,115,441)	21,278	(24,052,000)	(22,831,616)	1,220,384
Cash flows from financing activities						
Finance costs	(5,506)	(42,500)	36,994	(85,000)	(84,933)	67
Proceeds from borrowings	-	-	-	3,500,000	3,500,000	-
Repayment of borrowings	(47,405)	(89,500)	42,095	(179,000)	(152,757)	26,243
Interest paid - lease liability	-	-	-	-	(11,019)	(11,019)
Repayment of lease liabilities	-	(92,000)	92,000	(184,000)	(184,000)	-
Net cash provided by/(used in) financing activities	(52,911)	(224,000)	171,089	3,052,000	3,067,291	15,291
Net increase (decrease) in cash and cash equivalents	1,275,553	871,236	404,317	(14,773,000)	(9,553,649)	5,219,351
Cash and cash equivalents at the beginning of the period	1,403,913	1,568,000	(164,087)	21,068,000	23,203,913	2,135,913
Cash and cash equivalents at the end of the period	2,679,466	2,439,236	240,230	6,295,000	13,650,264	7,355,264

Strathbogie Shire Council
Mid-year budget review – 2022/23
Statement of Capital Works

	Period ended 31 December 2022			Budget 2022/23		
	Actual YTD \$ Dec 2022	Budget YTD \$ Dec 2022	Variance YTD \$ Dec 2022	Adopted Budget \$	Mid Year Review \$	Variance \$
Property						
Land				-	-	-
Buildings	175,580	1,006,000	(830,420)	1,902,000	1,499,473	(402,527)
Total property	175,580	1,006,000	(830,420)	1,902,000	1,499,473	(402,527)
Plant and equipment						
Plant, machinery and equipment	484,504	120,000	364,504	2,071,000	1,070,900	(1,000,100)
Computers and telecommunications	81,656	373,998	(292,342)	748,000	509,500	(238,500)
Total plant and equipment	566,160	493,998	72,162	2,819,000	1,580,400	(1,238,600)
Infrastructure						
Roads	414,602	4,719,464	(4,304,862)	7,530,000	6,517,105	(1,012,895)
Bridges	103,411	-	103,411	1,200,000	388,083	(811,917)
Footpaths and cycleways	27,131	211,181	(184,050)	1,257,000	779,554	(477,446)
Drainage	1,769	612,000	(610,231)	1,388,000	106,000	(1,282,000)
Recreational, leisure and community facilities	2,431,341	1,174,923	1,256,418	1,067,000	5,076,522	4,009,522
Waste management	49,009	1,500,000	(1,450,991)	3,256,000	3,537,607	281,607
Parks, open space and streetscapes	385,984	1,017,875	(631,891)	2,145,000	1,489,452	(655,548)
Total infrastructure	3,413,247	9,235,443	(5,822,196)	17,843,000	17,894,323	51,323
Total capital works expenditure	4,154,987	10,735,441	(6,580,454)	22,564,000	20,974,196	(1,589,804)
Represented by:						
New asset expenditure	82,880	160,002	(77,122)	1,127,000	776,247	(350,753)
Asset renewal expenditure	1,493,030	6,616,345	(5,123,315)	14,312,000	11,450,918	(2,861,082)
Asset expansion expenditure	2,073,963	1,166,427	907,536	1,066,000	4,603,805	3,537,805
Asset upgrade expenditure	502,116	2,792,667	(2,290,551)	6,059,000	4,143,226	(1,915,774)
Total capital works expenditure	4,151,989	10,735,441	(6,583,452)	22,564,000	20,974,196	(1,589,804)
Funding sources represented by:						
Grants				3,729,000	7,361,655	3,632,655
Contributions				-	200,000	200,000
Council cash				15,335,000	10,412,541	(4,922,459)
Borrowings				3,500,000	3,000,000	(500,000)
Total capital works expenditure				22,564,000	20,974,196	(1,589,804)

In accordance with Section 97(3) of the Local Government Act 2020, it is the view of the Chief Executive Officer that a revised budget for 2022/23 will not be required by Strathbogie Shire Council.

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Julie Salomon - Chief Executive Officer

Strathbogie Shire Council

Exemption requested under procurement policy

Description	Date	Name of Contractor	Value incl GST	Outcome
PN 22/23-05 Flood damage rectification- River damage and debris survey	26-Nov-22	Hydroquip	\$29,370	Awarded under Emergency provisions. No quotation process due to the urgent requirement of the service
Flood Damage Rectification (Immediate) – Strip/Seal Mitchellstown, Moss, Goulburn & Weir-Murchison Roads Nagambie	14-Dec-22	Bild Infrastructure Pty Ltd	\$60,800	Awarded under Emergency provisions. No quotation process due to the urgent repairs required. Used Supplier on the CN 20/21-47 Road Maintenance Panel of Suppliers.
CN 22/23-30 Flood damage rectification Charles St, Sheans Creek Rd, Turnbull St, Ankers Rd, Merton-Strathbogie Rd, Polly McQuinns Rd, Bonnie Doon Rd, Halsalls Ln, Faithfulls Creek Rd	2-Dec-22	Cleaves Earthmoving and Drainage	\$119,466	Awarded under Emergency provisions. No quotation process due to the urgent repairs required. Used Supplier on the CN 20/21-47 Road Maintenance Panel of Suppliers
CN 22/23-31 Flood damage rectification- Sealed road Patching & Scour Shoulder works: Moglonemby Rd, Long/Pranjip Rds, Tarcombe Rd	19-Dec-22	Sevens Creeks Excavations Pty Ltd	\$60,800	Awarded under Emergency provisions. No quotation process due to the urgent repairs required. Used Supplier on the CN 20/21-47 Road Maintenance Panel of Suppliers