



Extraordinary Meeting of Riverina Water County Council

The meeting will be held in the Pat Brassil AM Meeting Room,
91 Hammond Ave, Wagga Wagga at 10:00am on Thursday
1 September 2022

Meeting Agenda

Live Streaming of Council Meetings

Riverina Water advises that Council meetings are live streamed on Council's website www.riverinawater.nsw.gov.au. Visitors in the public gallery are advised that their voice and/or image may form part of the webcast. By remaining in the public gallery it is assumed your consent is given in the event your image or voice is broadcast.

Statement of Ethical Reminders

Board members are reminded of the Oath or Affirmation of Office that they made under Section 233A of the Local Government Act 1993. Board Members and staff are also reminded of their obligations under Council's Code of Conduct to disclose and appropriately manage conflicts of interest.

Acknowledgement of Country

Livestreaming of Meeting

Apologies

Declaration of pecuniary and non-pecuniary interests

Confirmation of Minutes

Minutes of Board Meeting 24 August 2022

Open Reports

R1	Financial Statements 2021/2022.....	3
R2	Financial Position as at 30 June 2022.....	7

R1 Financial Statements 2021/2022

Organisational Area Corporate Services

Author	Emily Tonacia, Director Corporate Services
Summary	Riverina Water's Financial Statements and Special Purpose Financial Reports for 2021/22 have been completed and are ready to be forwarded to the Audit Office of New South Wales.

RECOMMENDATION that:

- a) Council's Draft Financial Statements be referred to audit by Council's auditors being the Audit Office of New South Wales;
- b) Council makes a resolution in accordance with Section 412(2c) that the annual financial report:
 - i. is in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under.
 - ii. is in accordance with the Australian Accounting Standards and professional pronouncements.
 - iii. is in accordance with the Local Government Code of Accounting Practice and Financial Reporting.
 - iv. presents fairly the council's operating results and financial position for the year
 - v. is in accordance with Council's accounting policies and other records.
 - vi. that Council is not aware of any matter that would render this report false or misleading in any way.
- c) Council adopts the above-mentioned statement and that the Chairperson, Deputy Chairperson, Chief Executive Officer and Responsible Accounting Officer be authorised to complete the 'Statement by Members of the Council' in relation to Council's 2021/22 Financial Statements and Special Purpose Financial Reports and be attached thereto;
- d) The Chief Executive Officer be delegated the authority to issue the audited Financial Statements immediately upon receipt of the Auditor's Reports, subject to their being no material changes or audit issues; and
- e) Council presents the final audited Financial Statements and Auditor's Report to the public at its ordinary meeting to be held 26 October 2022.

Report

Council's Financial Statements and Special Purpose Financial Reports for 2021/2022 have been completed and are ready to be forwarded to Council's Auditors. Under the provisions of Section 412(2c) of the Local Government Act 1993, the Financial Statements and Special Purpose Financial Reports shall be accompanied by a statement made in accordance with

a resolution by Council, signed by the Chairperson and Deputy Chairperson, Chief Executive Officer, and Responsible Accounting Officer along the lines of recommendations (b) above.

Following receipt of the Auditor's Report, it will be necessary to give public notice for a period of at least seven days prior to the adoption of the Financial Statements.

It is anticipated that the Auditor's Report will be submitted to Council's Ordinary Meeting on 26 October 2022. Council's Annual Report for 2021/2022 can be adopted at the same meeting.

› **R1.1** **Statement by Councillors and Management - GPFS** [↓](#) 

› **R1.2** **Statement by Councillors and Management - SPFS** [↓](#) 

Financial Implications

Not applicable.

Risk Considerations

Corporate Governance And Compliance	
Avoid	Council will avoid risks relating to corporate governance and compliance including ethical, responsible and transparent decision making and procedural/policy, legal and legislative compliance.

Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 01 September 2022.

Clr T Koschel
Chairperson

Clr D Meyer OAM
Deputy Chairperson

Mr A Crakanthorp
Chief Executive Officer

Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,
- the NSW Office of *Water Best-Practice Management of Water and Sewerage Guidelines*.

To the best of our knowledge and belief, these statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 01 September 2022.

Clr T Koschel
Chairperson

Clr D Meyer OAM
Deputy Chairperson

Mr A Crakanthorp
Chief Executive Officer

Ms E Tonacia
Responsible Accounting Officer

R2 Financial Position as at 30 June 2022

Organisational Area Corporate Services

Author Emily Tonacia, Director Corporate Services

Summary The unaudited Financial Statements as of 30 June 2022 are finalised and submitted for examination by Council.

RECOMMENDATION:

- (a) that the unaudited 2021/22 Financial Statements be received and
- (b) that Council place on record its appreciation to Emily Tonacia – Director Corporate Services for her efforts in finalising the Statements

Report

The unaudited 2021/22 Financial Statements are submitted for examination by Council.

The anticipated Operating Result for 2021/22 is a surplus of \$6,639,000. The revised budget estimate anticipated a surplus of \$4,159,000.

Whilst revenue from user fees and charges was lower than budgeted, this reduction in revenue was offset from lower-than-anticipated expenditure. The variance is comprised of multiple amounts, but mainly attributable to:

- Lower than anticipated employee costs due to vacancies in the organisation structure
- Lower than anticipated materials & contracts due to:
 - o software licences not being payable due to FLOW project delay
 - o reduced power costs attributed to less demand for water
- Lower than anticipated borrowing costs due to solar pilot plant funding not eventuating
- Higher than anticipated depreciation as a result of the 2021 infrastructure valuation.

The final audited Financial Statements and Auditor's Report will be presented at the ordinary meeting to be held 26 October 2022.

The result is pleasing overall.

Further commentary will be provided during the extraordinary meeting this week. The Operating Result reflects the sensitivity between prevailing climatic conditions and revenue. The impact of COVID on supply chains is also reflected in the Operating Result.

The Operating Result before grants and contributions for capital contributions of \$2.312m is very good and reflects well on the overall financial sustainability of the Council.

Note from CEO

The efforts of the Director Corporate Services, Emily Tonacia, in preparing the 2021/22 Financial Statements need to be acknowledged. Due to the inability of Council to recruit to the vacant position of Manager Finance and the absence of the Finance Officer on maternity leave (although Kate Pellow did make her herself available in the latter stages of the completion of the Statements- which was much appreciated as well), Emily assumed responsibility for the completion of the Statements and has spent many hours of overtime completing same.

Emily's action and dedication are a credit to her.

› R2.1 Draft Primary General Purpose Financial Statements 2021/22

Financial Implications

Not applicable.

Risk Considerations

Financial	
Avoid	Council will endeavour to ensure that its financial sustainability is protected at all times and avoid proposals that may impact negatively.

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Riverina Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

"to provide our community with safe reliable water at
the lowest sustainable cost"



Riverina Water County Council

Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Income from continuing operations				
5,172	Rates and annual charges	B2-1	5,710	5,655
24,030	User charges and fees	B2-2	19,606	19,796
466	Other revenues	B2-3	576	475
225	Grants and contributions provided for operating purposes	B2-4	122	190
3,558	Grants and contributions provided for capital purposes	B2-4	4,327	2,750
250	Interest and investment income	B2-5	326	467
–	Net gain from the disposal of assets	B4-1	388	116
33,701	Total income from continuing operations		31,055	29,449
Expenses from continuing operations				
10,641	Employee benefits and on-costs	B3-1	9,529	9,066
8,537	Materials and services	B3-2	5,815	7,084
434	Borrowing costs	B3-3	239	367
7,550	Depreciation, amortisation and impairment of non-financial assets	B3-4	8,390	7,570
630	Other expenses	B3-5	443	95
27,792	Total expenses from continuing operations		24,416	24,182
5,909	Operating result from continuing operations		6,639	5,267
5,909	Net operating result for the year attributable to Council		6,639	5,267
2,351	Net operating result for the year before grants and contributions provided for capital purposes		2,312	2,517

The above Income Statement should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Net operating result for the year – from Income Statement		6,639	5,267
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	8,897	(47,725)
Gain (loss) on revaluation of intangible assets	C1-7	(628)	(1,587)
Total items which will not be reclassified subsequently to the operating result		8,269	(49,312)
Total other comprehensive income for the year		8,269	(49,312)
Total comprehensive income for the year attributable to Council		14,908	(44,045)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Riverina Water County Council

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	2,510	2,892
Investments	C1-2	11,500	16,000
Receivables	C1-4	4,106	3,589
Inventories	C1-5	2,435	2,310
Total current assets		20,551	24,791
Non-current assets			
Investments	C1-2	17,500	12,500
Infrastructure, property, plant and equipment (IPPE)	C1-6	338,607	327,948
Intangible assets	C1-7	10,890	9,776
Total non-current assets		366,997	350,224
Total assets		387,548	375,015
LIABILITIES			
Current liabilities			
Payables	C3-1	2,694	2,843
Borrowings	C3-2	1,535	1,587
Employee benefit provisions	C3-3	4,555	4,852
Total current liabilities		8,784	9,282
Non-current liabilities			
Borrowings	C3-2	1,934	3,811
Total non-current liabilities		1,934	3,811
Total liabilities		10,718	13,093
Net assets		376,830	361,922
EQUITY			
Accumulated surplus		159,484	152,845
IPPE revaluation reserve	C4-1	217,346	209,077
Council equity interest		376,830	361,922
Total equity		376,830	361,922

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	as at 30/06/22			as at 30/06/21		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		152,845	209,077	361,922	147,578	258,389	405,967
Net operating result for the year		6,639	-	6,639	5,267	-	5,267
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	-	8,897	8,897	-	(47,725)	(47,725)
Gain (loss) on revaluation of intangible assets		-	(628)	(628)	-	(1,587)	(1,587)
Other comprehensive income		-	8,269	8,269	-	(49,312)	(49,312)
Total comprehensive income		6,639	8,269	14,908	5,267	(49,312)	(44,045)
Closing balance at 30 June		159,484	217,346	376,830	152,845	209,077	361,922

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Riverina Water County Council

Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Cash flows from operating activities				
<i>Receipts:</i>				
5,169	Rates and annual charges		5,751	6,103
24,010	User charges and fees		19,371	20,346
303	Interest received		372	476
3,791	Grants and contributions		4,452	2,955
–	Bonds, deposits and retentions received		30	4
368	Other		270	1,845
<i>Payments:</i>				
(10,612)	Payments to employees		(9,633)	(9,448)
(4,089)	Payments for materials and services		(6,360)	(7,749)
(434)	Borrowing costs		(239)	(367)
(5,030)	Other		(461)	1
13,476	Net cash flows from operating activities	G1-1	13,553	14,166
Cash flows from investing activities				
<i>Receipts:</i>				
6,824	Redemption of term deposits		–	1,000
–	Proceeds from sale of IPPE		674	317
<i>Payments:</i>				
–	Acquisition of term deposits		(500)	–
(24,211)	Payments for IPPE		(10,421)	(11,962)
–	Purchase of intangible assets		(1,759)	(479)
(17,387)	Net cash flows from investing activities		(12,006)	(11,124)
Cash flows from financing activities				
<i>Receipts:</i>				
3,200	Proceeds from borrowings		–	–
<i>Payments:</i>				
(2,218)	Repayment of borrowings		(1,929)	(1,868)
982	Net cash flows from financing activities		(1,929)	(1,868)
(2,929)	Net change in cash and cash equivalents		(382)	1,174
4,929	Cash and cash equivalents at beginning of year		2,892	1,718
2,000	Cash and cash equivalents at end of year	C1-1	2,510	2,892
11,176	plus: Investments on hand at end of year	C1-2	29,000	28,500
13,176	Total cash, cash equivalents and investments		31,510	31,392

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.