

FINANCIAL PERFORMANCE REPORT – June 2023

This report provides a summary of key financial performance indicators for Federation Council for the reporting month. It is based on preliminary data prior to year end reconciliations and adjustments. As a result there may be variance between this report and final financial statements for the year ended 30 June 2023.

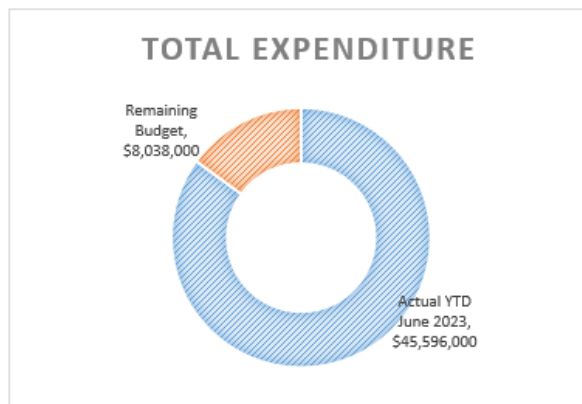
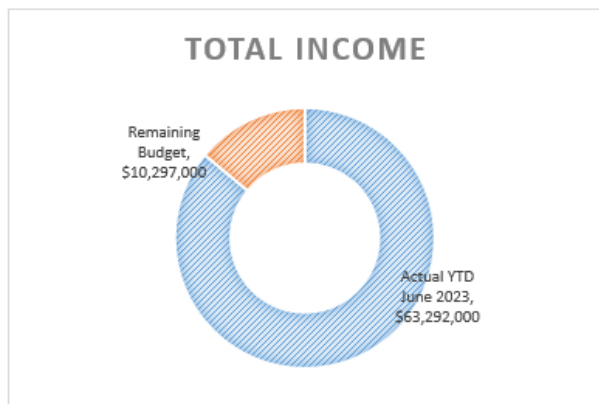
1. OPERATING RESULT

Consolidated position

	Actual YTD June 2023 (\$000's)	Amended Annual Budget (\$000's)	Annual Budget %	Notes
Income				
Rates and Annual Charges	17,221	17,719	97%	
User Charges and Fees	7,985	9,277	86%	1
Interest and Investment Revenues	639	228	280%	2
Other Revenues	500	446	112%	
Grants & Contributions - Operating	16,535	16,822	98%	
Grants & Contributions - Capital	19,525	28,305	69%	3
Net gain from disposal of assets	887	792		
Total Income	63,292	73,589	86%	
Expenses				
Employee Costs	14,063	16,390	86%	4
Borrowing Costs	354	383	92%	
Materials & Contracts	15,422	21,144	73%	5
Depreciation	15,133	15,133	100%	
Other Expenses	624	584	107%	
Total Expenses	45,596	53,634	85%	
Net Operating Result (Consolidated)	17,696	19,955	89%	

Notes

1. User Charge and Fees - Water and Sewer user fees still to be raised for period March to June 2023 for manual meters data collection.
2. Interest & Investment revenue is higher due to the increase in interest rates available.
3. Capital Grants & Contributions is behind budget due to the timing of delivering significant grant funded projects. The full grant funding will be received however some may occur in the next financial year.
4. Employee costs are below budget due to vacancies in various services and timing associated with flood recovery and grant funded projects. Budgets have increased for flood works and grants with work to be completed in coming months.
5. Materials and Contracts are below budget due to the timing associated with flood recovery and grant funded projects. Budgets have increased for flood works and grants with work to be completed in coming months. Extra information about the Flood event is provided in section 4 of this document.



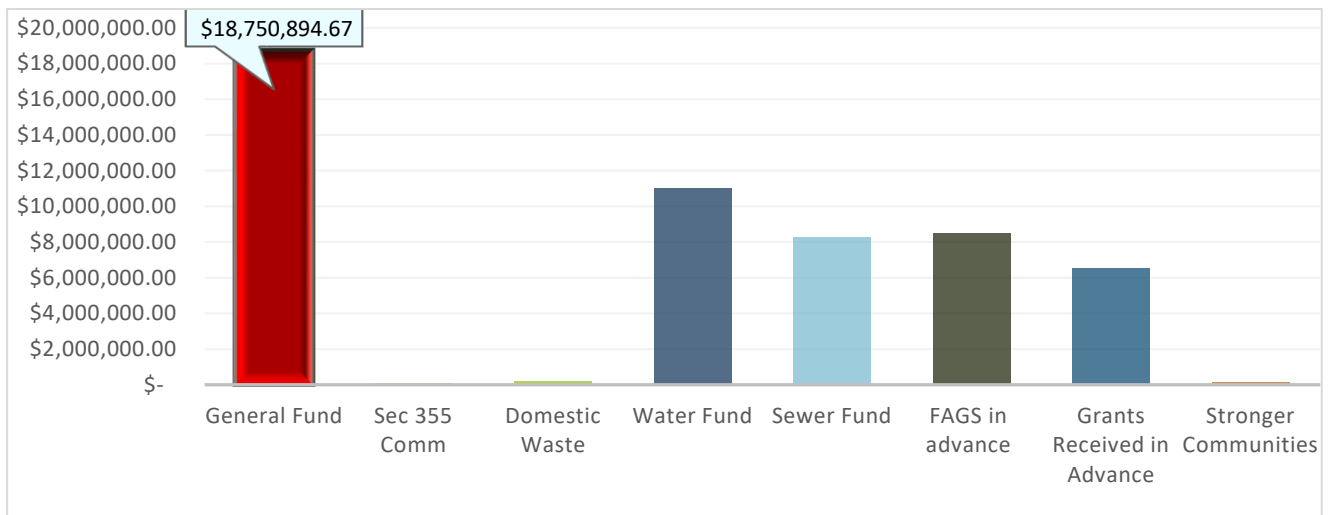
2. BALANCE SHEET

BANK BALANCES AND RECONCILIATION

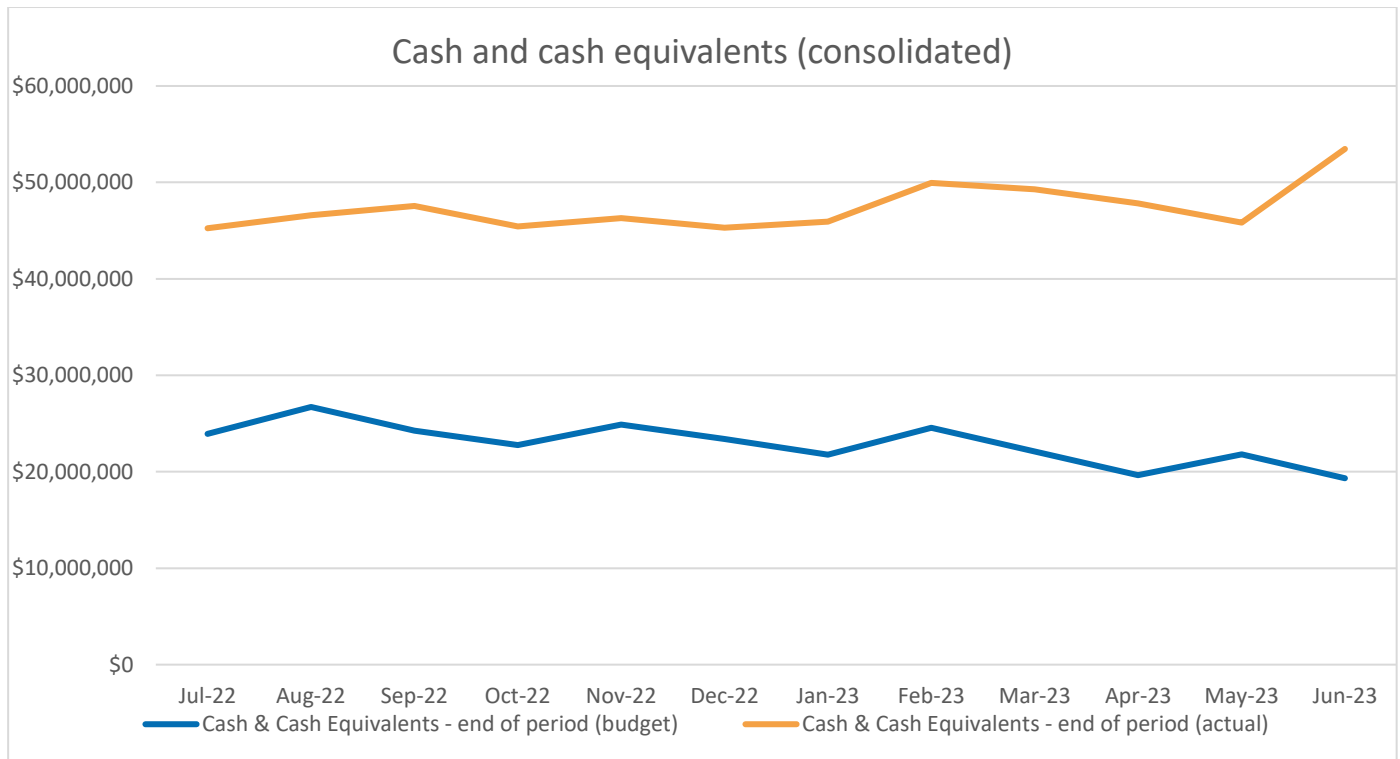
Council's Bank Balance as per Bank Statement at report date: 30th June 2023

\$

General Account	0000 0022	2,266,784.38
Business Online Saver Account	1014 2522	2,679,627.44
Investments		<u>48,524,021.52</u>
	Sub Total	53,470,436.34
Plus Deposits not yet lodged:		
Corowa Library		57.00
Urana		110.00
Mulwala		28.00
	Sub Total	53,470,631.34
Less Unpresented Cheques		1,651.85
Balance as per Ledger		53,468,979.49
Less FAGS in advance		8,253,493.02
Less External Restricted Funds		<u>26,217,168.82</u>
Balance of General Fund Ledger		18,750,894.67



The following graph details Council’s consolidated cash and cash equivalents actual compared to the budget for the 2022/23 financial year.



The actual cash position is above budget at this stage of the financial year, due primarily to the following factors:

- Receipt of grant funding for projects that hasn’t been spent yet (\$6.8M)
- Regional and local roads repair program grant and Fixing local road pothole repair grant \$4.9 million made in advance.
- Delays in the Capital works program due to the wet weather.
- \$8.5m Financial assistance grant (FAGS) received in advance for FY2024.

Certificate of reconciliation

I certify that Council’s general ledger bank accounts have been reconciled with the appropriate bank statements as at 30 June 2023.

*S Norman
Manager Finance*

INVESTMENTS

The following list of investment securities held at reporting date. Investment of funds on behalf of Council has been undertaken in accordance with the Local Government Act and Regulations.

Investment Type	Institution	Amount Lodged	Date Lodged	Rate	Days	Maturity Date
Term Deposit	NAB	\$500,000.00	04/01/2023	4.36	181	04/07/2023
Term Deposit	NAB	\$500,000.00	04/01/2023	4.36	181	04/07/2023
Term Deposit	NAB	\$500,000.00	06/10/2022	3.98	275	06/07/2023
Term Deposit	CBA	\$2,000,000.00	08/07/2022	4.08	365	07/07/2023
Term Deposit	NAB	\$500,000.00	13/01/2023	4.35	181	13/07/2023
Term Deposit	Westpac	\$1,000,000.00	28/07/2022	3.77	366	28/07/2023
Term Deposit	CBA	\$1,001,355.34	04/08/2022	3.81	365	04/08/2023
Term Deposit	Westpac	\$1,000,000.00	10/02/2023	4.55	181	10/08/2023
Term Deposit	NAB	\$3,000,000.00	23/02/2023	4.50	181	23/08/2023
Term Deposit	NAB	\$2,001,854.25	01/12/2022	4.12	273	01/09/2023
Term Deposit	Westpac	\$1,000,000.00	23/09/2022	4.47	367	25/09/2023
Term Deposit	Westpac	\$1,000,000.00	23/09/2022	4.47	367	25/09/2023
Term Deposit	Suncorp	\$1,000,000.00	16/01/2023	4.46	273	16/10/2023
Term Deposit	Westpac	\$2,000,000.00	19/10/2023	4.43	366	19/10/2023
Term Deposit	Westpac	\$500,000.00	01/11/2022	4.54	366	01/11/2023
Term Deposit	Westpac	\$500,000.00	03/11/2022	4.60	366	03/11/2023
Term Deposit	NAB	\$2,006,883.39	17/11/2022	4.35	366	17/11/2023
Term Deposit	CBA	\$1,003,441.69	17/11/2022	4.29	366	17/11/2023
Term Deposit	Westpac	\$1,500,000.00	02/12/2021	1.20	732	04/12/2023
Term Deposit	Westpac	\$1,000,000.00	08/12/2022	4.35	366	08/12/2023
Term Deposit	Westpac	\$2,000,000.00	14/12/2021	1.13	730	14/12/2023
Term Deposit	NAB	\$1,000,000.00	04/04/2023	4.48	275	04/01/2024
Term Deposit	Westpac	\$1,000,000.00	31/01/2022	1.49	730	31/01/2024
Term Deposit	Suncorp	\$1,003,605.75	12/05/2023	4.75	266	12/02/2024
Term Deposit	CBA	\$1,000,000.00	13/02/2023	5.01	365	13/02/2024
Term Deposit	Suncorp	\$1,000,000.00	23/05/2023	4.90	276	23/02/2024
Term Deposit	Westpac	\$1,006,881.10	03/03/2023	4.93	367	04/03/2024
Term Deposit	NAB	\$1,000,000.00	03/03/2023	4.85	374	11/03/2024

Term Deposit	NAB	\$2,000,000.00	15/03/2023	4.67	366	15/03/2024
Term Deposit	NAB	\$1,000,000.00	16/03/2023	4.50	368	18/03/2024
Term Deposit	Suncorp	\$2,000,000.00	04/04/2023	4.56	366	04/04/2024
Term Deposit	Suncorp	\$1,000,000.00	04/04/2023	4.56	366	04/04/2024
Term Deposit	NAB	\$500,000.00	06/04/2023	4.45	368	08/04/2024
Term Deposit	NAB	\$500,000.00	06/04/2023	4.45	368	08/04/2024
Term Deposit	NAB	\$1,000,000.00	04/05/2023	4.75	368	06/05/2024
Term Deposit	Westpac	\$1,000,000.00	08/09/2022	4.30	732	09/09/2024
Term Deposit	Westpac	\$1,000,000.00	16/02/2023	4.90	732	17/02/2025
Term Deposit	CBA	\$1,000,000.00	29/06/2023	5.40	273	28/03/2024
Term Deposit	CBA	\$2,000,000.00	29/06/2023	5.45	365	28/06/2024
Term Deposit	Suncorp	\$2,000,000.00	30/06/2023	5.47	189	05/01/2024
Term Deposit	NAB	\$1,000,000.00	30/06/2023	5.56	364	28/06/2024

\$48,524,021.52

Certificate of reconciliation

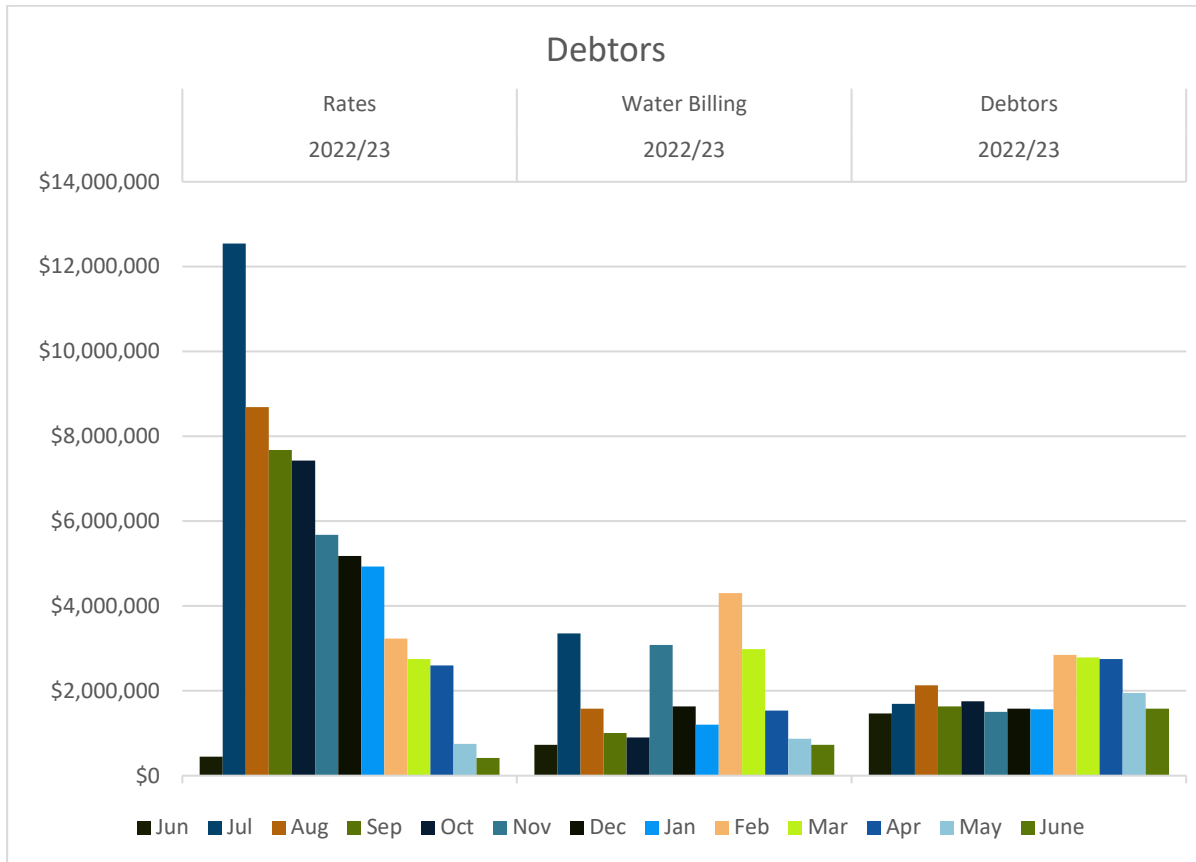
I certify that the investments have been made in accordance with section 625 of the Local Government Act 1993, the Regulations and Council's policies.

S Norman
Manager Finance

DEBTORS

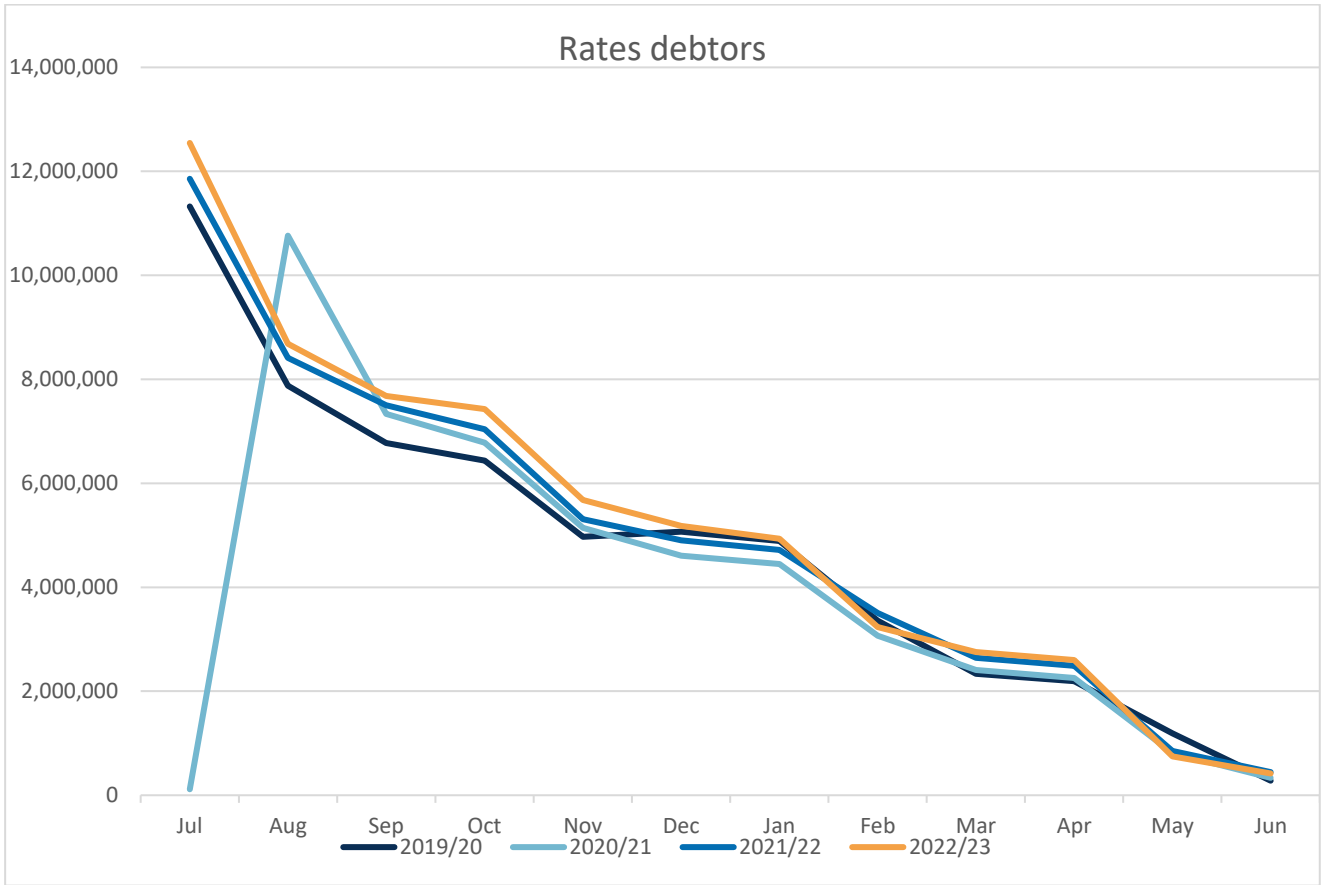
Debtors balance as at 30th June 2023 is \$2,728,338 with an overall decrease of \$845,107 from the previous month.

As detailed in the below graph, rates debtor has decreased by \$330,606 and Water debtor has decreased by \$142,085 and sundry debtor decreased by \$372,417.



The graph above illustrates that the water billing debtor balance spike in July, November and February as expected when water bills were issued and rates debtor balance spike in July when rates are raised.

The graph below shows rates outstanding each month for the last four years.



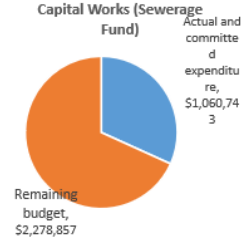
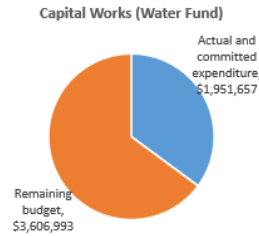
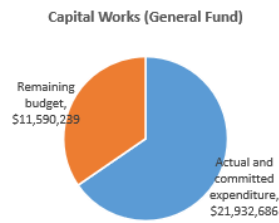
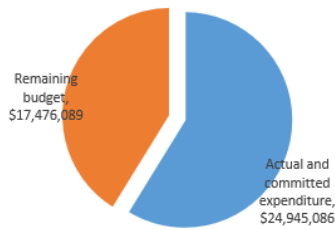
3. CAPITAL EXPENDITURE

Federation Council
Capital Works Reporting (Snapshot)
30 June 2023



Description	Original Budget	C/F	Council approved budget transfer	Qrt 1 - 30 Sept 22	Qrt 2 - 31 Dec 22	Qrt 3 - 31 Mar 23	Revised Budget	Actual and committed expenditure	% budget committed	Remaining budget
Buildings, Land Improvements, Land & Recreation	320,000	2,598,228	1,617,517	60,000	-	-	4,535,745	2,315,206	51%	2,220,539
Information Technology	161,367	-	-	-	-	-	161,367	102,025	63%	59,342
Local Road Community Infrastructure	2,613,064	53,590	-	-	-	180,000	2,846,654	2,067,848	73%	778,806
Plant & Equipment	1,550,000	1,795,386	-	-	-	-	3,345,386	2,447,532	73%	897,854
Regional Growth Fund Grants	-	790,894	-	-	-	-	790,894	637,050	81%	153,844
Roads, Footpaths, Bridges, Kerb & Guttering, Drains	5,645,000	2,897,095	4,979,150	-	-	-	13,521,245	6,128,148	45%	7,393,097
Saleyards	-	7,389,864	900,000	-	-	-	8,289,864	8,207,773	99%	82,091
Sewerage	3,078,600	261,000	-	-	-	-	3,339,600	1,060,743	32%	2,278,857
Water	5,268,900	289,750	-	-	-	-	5,558,650	1,951,657	35%	3,606,993
Total Capital Works 2022/23	18,636,931	16,107,577	7,496,667	60,000	-	180,000	42,421,175	24,945,086	59%	17,476,089
Capital Works (General Fund)	10,289,431	15,556,827	7,496,667	60,000	-	180,000	33,522,925	21,932,686	65%	11,590,239
Capital Works (Water Fund)	5,268,900	289,750	-	-	-	-	5,558,650	1,951,657	35%	3,606,993
Capital Works (Sewerage Fund)	3,078,600	261,000	-	-	-	-	3,339,600	1,060,743	32%	2,278,857
Total Capital Works 2022/23	18,636,931	16,107,577	7,496,667	60,000	-	180,000	42,421,175	24,945,086	59%	17,476,089

Total Capital Works 2022/23



4. FLOOD EVENT

In preparing the 2022/23 Annual Budget, an amount of \$170,000 was budgeted as an operating expense to cover the property insurance deductible and the threshold for accessing essential asset disaster funding in the event of an emergency.

The NSW Government disaster-declared the Federation Council area for the flood event from 14 September 2022 onwards (Australian Government reference number 1034).

In December 2022, Council increased its Annual Budget by \$3.2M to accommodate the costs incurred by council that will be claimable under the insurance policy or recoverable through the NSW Disaster Assistance Arrangements. The damage assessment is nearing finalisation with data required to be submitted by 31 July 2023. Further detail will be provided to Council as it becomes available.

Costs incurred in protecting council assets from floods are not claimable under insurance and have been costed to the service area where the assets are managed. The cost of repairing flood damaged infrastructure that is not claimable under Council's insurance policy or NSW Disaster Assistance Arrangements is still being assessed.

Income & Expenditure to 30th June 2023

	Income	Expenditure
Roads	\$ 1,000,000.00	\$ 2,062,192.30
Building & Facilities	\$ -	\$ 215,543.69
Parks & Gardens	\$ -	\$ 87,613.49
Ball Park Caravan Park Clean Up	\$ -	\$ 7,626.80
Resilience NSW	\$ -	\$ -
Total	\$ 1,000,000.00	\$ 2,372,976.28