

# FINANCIAL PERFORMANCE REPORT – September 2023

This report provides a summary of key financial performance indicators for Federation Council for the reporting month.

## 1. OPERATING RESULT

The following table provides a summary of the operating result for the consolidated fund (general, water, sewer and waste funds).

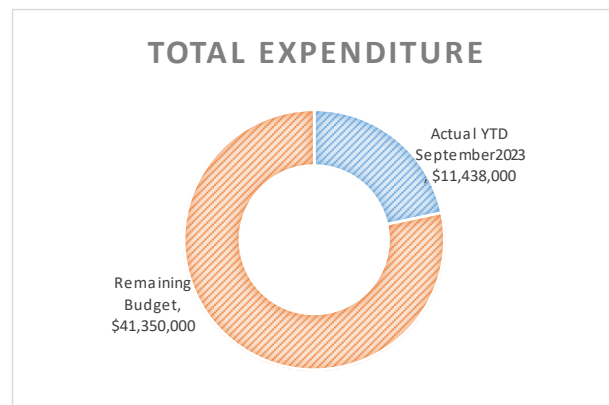
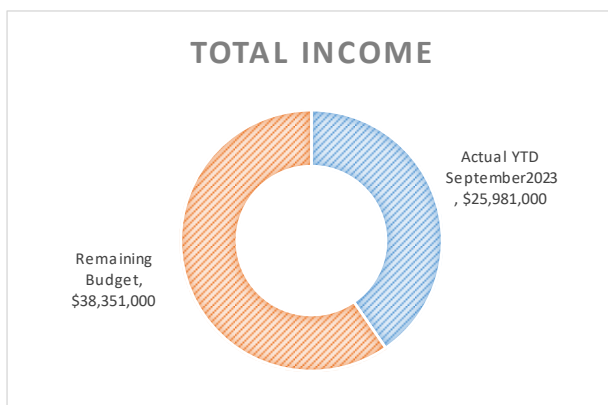
### Consolidated position

	Actual YTD September 2023 (\$000's)	Annual Budget 2023/24 (\$000's)	Annual Budget % %	Notes
<b>Income</b>				
Rates and Annual Charges	13,780	19,806	70%	1
User Charges and Fees	1,015	9,626	11%	2
Interest and Investment Revenues	-	435	0%	3
Other Revenues	83	407	20%	
Grants & Contributions - Operating	1,865	15,242	12%	4
Grants & Contributions - Capital	8,664	17,776	49%	5
Net gain from disposal of assets	574	1,040	55%	6
<b>Total Income</b>	<b>25,981</b>	<b>64,332</b>	<b>40%</b>	
<b>Expenses</b>				
Employee Costs	3,241	17,742	18%	7
Borrowing Costs	39	520	8%	8
Materials & Contracts	4,343	19,339	22%	
Depreciation	3,623	14,491	25%	
Other Expenses	192	696	28%	
<b>Total Expenses</b>	<b>11,438</b>	<b>52,788</b>	<b>22%</b>	
<b>Net Operating Result (Consolidated)</b>	<b>14,543</b>	<b>11,544</b>	<b>126%</b>	

At 30 September 2023, we are 25% through the financial year. The following notes provide a brief explanation where revenue or expenditure is less than 20% or more than 30% of the full year budget.

## Notes

1. Rates and Annual Charges – Annual general rates of \$11.2m and the Kerbside Collection annual charges (totalling \$2.4m) were raised in full in July 2023. Water and Sewer annual charges (\$1.5m and \$4.8m respectively) will be raised in three equal instalments in November, March and June.
2. User Charges & Fees - Water and Sewer user fees (budgeted at \$4.8m and \$0.8m) will be raised in November, March and June.
3. Interest and Investment Revenues – through the financial year, interest on investments is recognised when it is received on maturity of a term deposit. As a result, this revenue will be recognised later in the financial year.
4. Grants & Contributions (Operating) – \$8.4m of the 2023/24 allocation of Financial Assistance Grants has already been received as an advance payment in 2022/23.
5. Grants & Contributions (Capital) – \$7.9m is for grants received in 2022/23 but is brought to account in 2023/24 due to the expenditure being spent in 2023/24.
6. Net gain from disposal of assets – council has sold two blocks industrial land so far this year.
7. Employee Costs – Due to staff vacancies Council is under budget so far, this financial year.
8. Borrowings Costs – borrowing costs are recognised when loan payments are made. These are generally on a six-monthly basis.

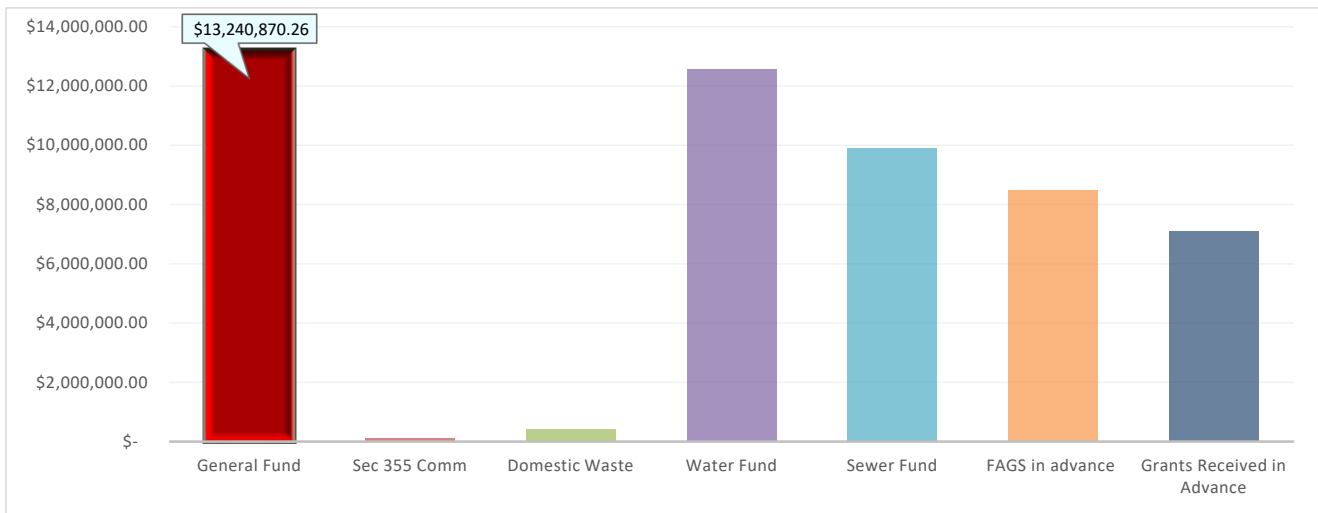


## 2. BALANCE SHEET

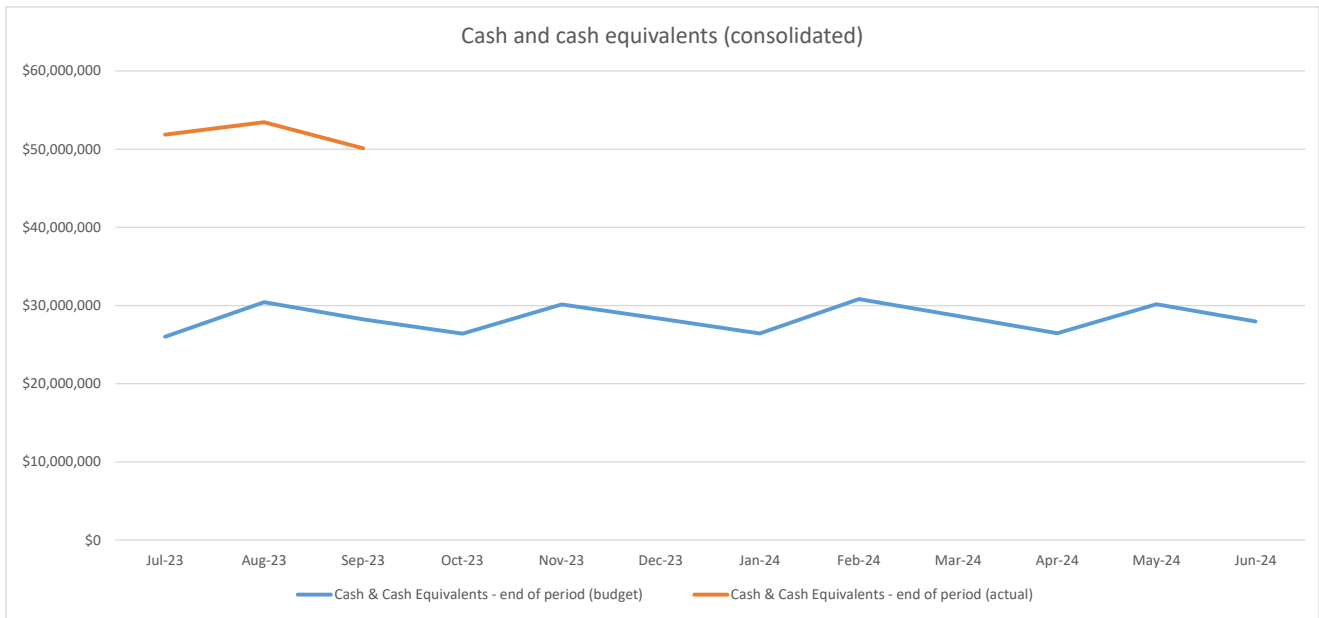
### BANK BALANCES AND RECONCILIATION

Council's Bank Balance as per Bank Statement at report date: 30<sup>th</sup> September 2023

			\$
General Account	0000 0022		455,129.08
Business Online Saver Account	1014 2522		4,614,994.77
Investments			<u>45,024,021.52</u>
		Sub Total	50,094,145.37
Plus Deposits not yet lodged:			
Corowa Tourism		30/9/23	140.00
Corowa Library		29/9/23	5.00
Urana Office		29/9/23	110.00
Corowa Office		29/9/23	9,272.44
		Sub Total	50,103,672.81
Less Unpresented Cheques			160.00
Balance as per Ledger			50,103,512.81
Less FAGS in advance			6,375,687.00
Less External Restricted Funds			<u>30,119,668.62</u>
<b>Balance of General Fund Ledger</b>			<b>13,240,870.26</b>



The following graph details Council’s consolidated cash and cash equivalents actual compared to the budget for the 2023/24 financial year.



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

- Financial Assistance Grants prepayment of \$6.376 million (Instalments 2, 3 & 4) as full payment was made in June 2023 which is included in the actual cash
- Receipt of grant funding for projects that were not completed by 30 June 2023
- Carry over grant funded capital works that were not completed by 30 June 2023
- Carry over Council funded capital works that were not completed by 30 June 2023

### Certificate of reconciliation

*I certify that Council’s general ledger bank accounts have been reconciled with the appropriate bank statements as at 30 September 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	Suncorp	\$1,000,000.00	16/01/2023	4.46	274	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	733	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	731	14/12/2023
Term Deposit	NAB	\$1,000,000.00	04/04/2023	4.48	276	04/01/2024
Term Deposit	NAB	\$500,000.00	04/07/2023	5.45	185	04/01/2024
Term Deposit	NAB	\$500,000.00	04/07/2023	5.45	185	04/01/2024
Term Deposit	Suncorp	\$2,000,000.00	30/06/2023	5.47	190	05/01/2024
Term Deposit	Westpac	\$1,000,000.00	31/01/2022	1.49	731	31/01/2024
Term Deposit	Suncorp	\$1,003,605.75	12/05/2023	4.75	277	12/02/2024
Term Deposit	CBA	\$1,000,000.00	13/02/2023	5.01	366	13/02/2024
Term Deposit	Suncorp	\$1,000,000.00	23/05/2023	4.90	277	23/02/2024
Term Deposit	Westpac	\$1,006,881.10	03/03/2023	4.93	368	04/03/2024
Term Deposit	NAB	\$1,000,000.00	09/03/2023	4.85	369	11/03/2024
Term Deposit	NAB	\$2,000,000.00	15/03/2023	4.67	367	15/03/2024
Term Deposit	NAB	\$1,000,000.00	16/03/2023	4.50	369	18/03/2024
Term Deposit	CBA	\$1,000,000.00	29/06/2023	5.40	274	28/03/2024
Term Deposit	Suncorp	\$2,000,000.00	04/04/2023	4.56	367	04/04/2024
Term Deposit	Suncorp	\$1,000,000.00	04/04/2023	4.56	367	04/04/2024
Term Deposit	NAB	\$500,000.00	06/04/2023	4.45	369	08/04/2024
Term Deposit	NAB	\$500,000.00	06/04/2023	4.45	369	08/04/2024
Term Deposit	NAB	\$1,000,000.00	04/05/2023	4.75	369	06/05/2024
Term Deposit	CBA	\$2,000,000.00	29/06/2023	5.45	366	28/06/2024

Term Deposit	NAB	\$1,000,000.00	30/06/2023	5.56	365	28/06/2024
Term Deposit	CBA	\$2,000,000.00	07/07/2023	5.73	368	08/07/2024
Term Deposit	NAB	\$500,000.00	06/07/2023	5.54	369	08/07/2024
Term Deposit	NAB	\$1,001,355.34	04/08/2023	5.28	369	06/08/2024
Term Deposit	NAB	\$1,000,000.00	10/08/2023	5.30	369	12/08/2024
Term Deposit	CBA	\$3,000,000.00	23/08/2023	5.47	367	23/08/2024
Term Deposit	NAB	\$2,001,854.25	01/09/2023	5.15	368	02/09/2024
Term Deposit	Westpac	\$1,000,000.00	08/09/2022	4.30	733	09/09/2024
Term Deposit	Westpac	\$1,000,000.00	16/02/2023	4.90	733	17/02/2025

**\$45,024,021.52**

### **Certificate of reconciliation**

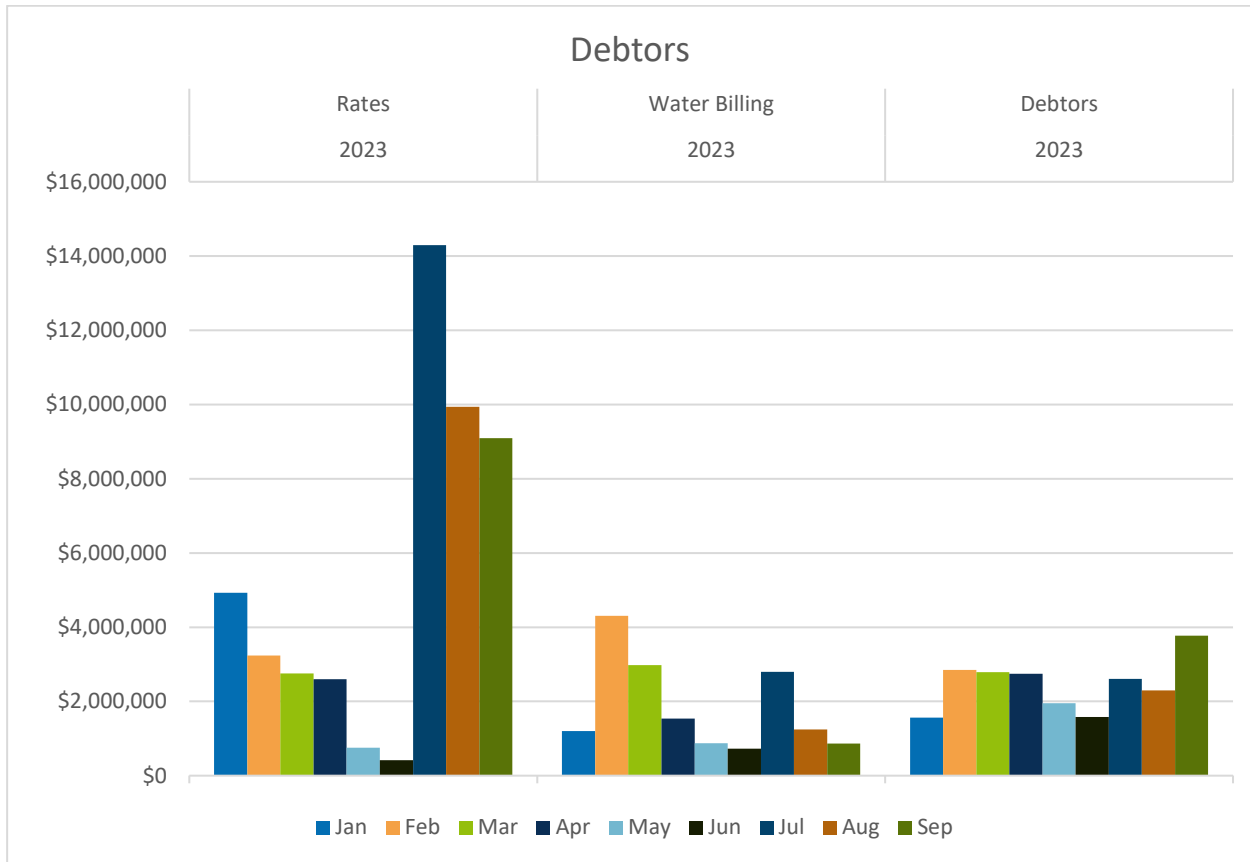
*I certify that the investments have been made in accordance with section 625 of the Local Government Act 1993, the Regulations and Council's policies.*

*S Norman*  
Manager Finance

## DEBTORS

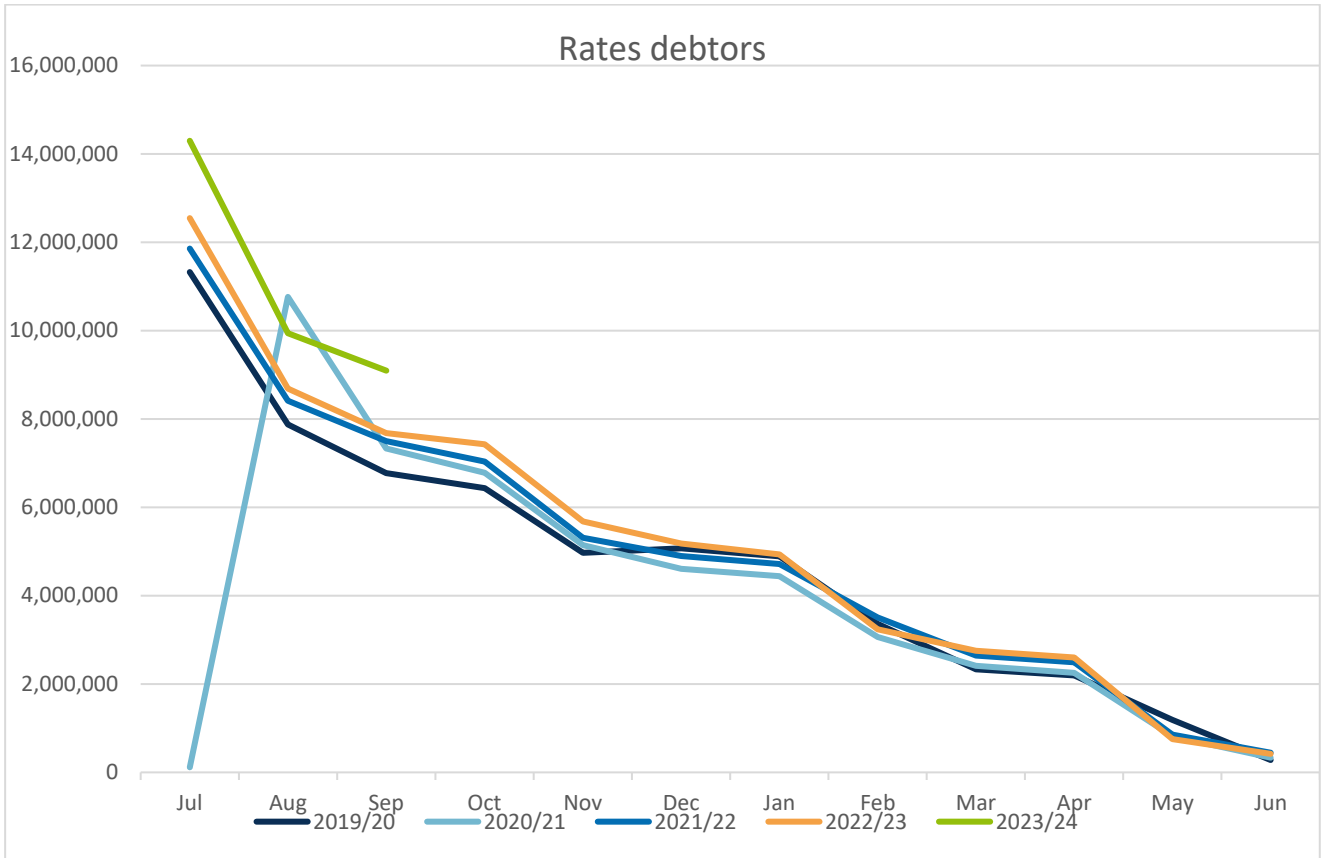
Debtors balance as at 30<sup>th</sup> September 2023 is \$13,732,162 with an overall increase of \$251,719 from the previous month due to milestone invoices raised for grant funds payments that have not been received yet.

As detailed in the below graph, rates debtor has decreased by \$844,341 and Water debtor has decreased by \$379,214 and sundry debtor increased by \$1,475,275.



The graph above illustrates that the water billing debtor balance spike in February and July 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.



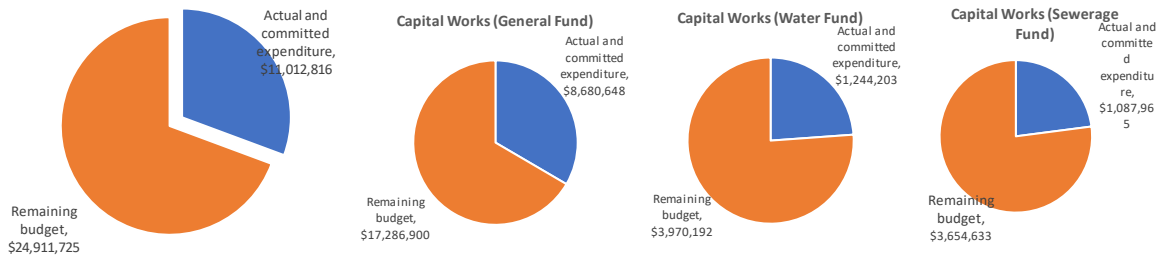


### 3. CAPITAL EXPENDITURE

This table provides a summary of capital works projects being progressed in 2023/24. The original budget was adopted in June 2023 and carry forward adopted at the September meeting.

Federation Council										
Capital Works Reporting (Snapshot)										
30 September 2023										
Description	Original Budget	C/F	Council approved budget transfers	Qrt 1 - 30 Sept 23	Qrt 2 - 31 Dec 23	Qrt 3 - 31 Mar 24	Revised Budget	Actual and committed expenditure	% budget committed	Remaining budget
Buildings, Land Improvements, Land & Recreation	-	1,529,527	-	-	-	-	1,529,527	724,076	47%	805,451
Stronger Country Community Grants	-	788,921	-	-	-	-	788,921	61,468	8%	727,453
Information Technology	307,000	20,000	-	-	-	-	327,000	26,141	8%	300,859
Local Road Community Infrastructure	-	902,895	-	-	-	-	902,895	636,929	71%	265,966
Plant & Equipment	1,906,000	2,072,933	-	-	-	-	3,978,933	1,661,807	42%	2,317,126
Regional Growth Fund Grants	-	160,000	-	-	-	-	160,000	115,761	72%	44,239
Roads, Footpaths, Bridges, Kerb & Guttering, Drainage	5,117,000	10,190,765	-	-	-	-	15,307,765	2,667,904	17%	12,639,861
Saleyards	-	2,972,507	-	-	-	-	2,972,507	2,786,563	94%	185,944
Sewerage	1,561,000	3,181,598	-	-	-	-	4,742,598	1,087,965	23%	3,654,633
Water	1,495,000	3,719,395	-	-	-	-	5,214,395	1,244,203	24%	3,970,192
<b>Total Capital Works 2023/24</b>	<b>10,386,000</b>	<b>25,538,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,924,541</b>	<b>11,012,816</b>	<b>31%</b>	<b>24,911,725</b>
Capital Works (General Fund)	7,330,000	18,637,548	-	-	-	-	25,967,548	8,680,648	33%	17,286,900
Capital Works (Water Fund)	1,495,000	3,719,395	-	-	-	-	5,214,395	1,244,203	24%	3,970,192
Capital Works (Sewerage Fund)	1,561,000	3,181,598	-	-	-	-	4,742,598	1,087,965	23%	3,654,633
<b>Total Capital Works 2023/24</b>	<b>10,386,000</b>	<b>25,538,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,924,541</b>	<b>11,012,816</b>	<b>31%</b>	<b>24,911,725</b>

Total Capital Works 2023/24



## 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 for roads has been submitted to Transport NSW by Council contractors Damage Control Project Management. Transport NSW are still assessing the claim and 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.

A claim has been submitted to Transport for NSW for damage to roads and essential public infrastructure. Whilst initial feedback has been received, the value of the required works is still under assessment.

Income & Expenditure to 30<sup>th</sup> September 2023

	<b>Income</b>	<b>Expenditure</b>
Roads	\$ 1,000,000.00	\$ 2,259,536.12
Building & Facilities	\$ -	\$ 235,575.77
Parks & Gardens	\$ -	\$ 85,931.67
Ball Park Caravan Park Clean Up	\$ -	\$ 7,626.80
Resilience NSW	\$ -	\$ -
<b>Total</b>	<b>\$ 1,000,000.00</b>	<b>\$ 2,588,670.36</b>

## 5. BUSINESS UNITS

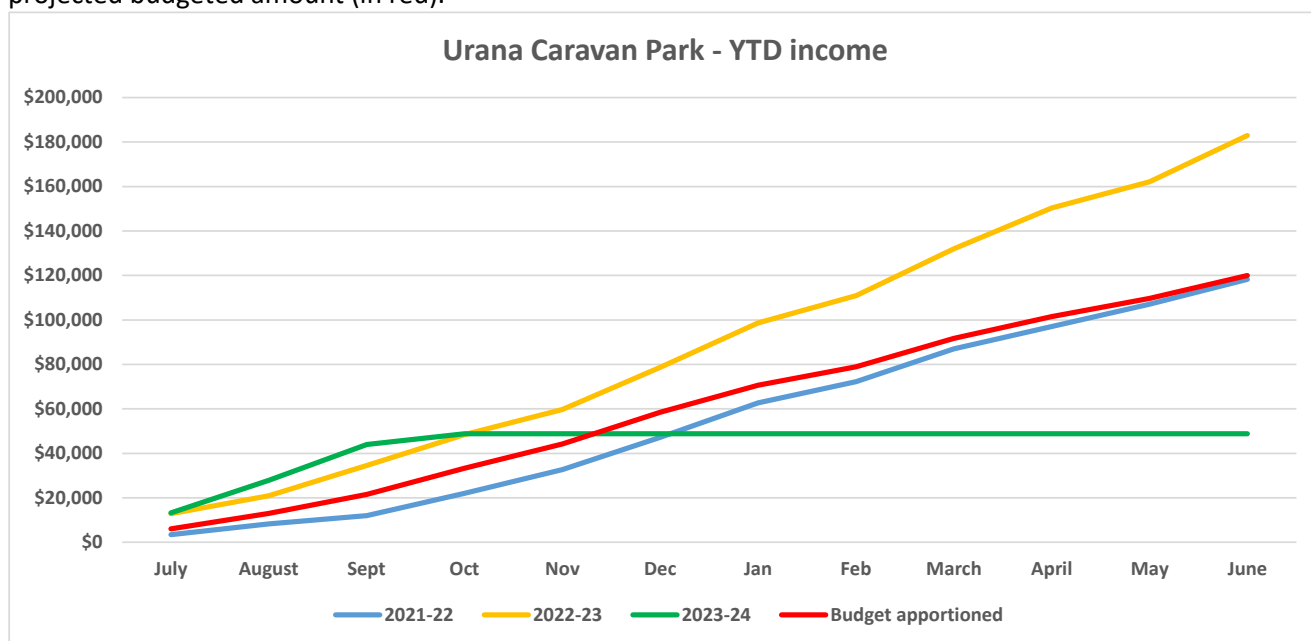
Council has four business units (Urana Caravan Park, Ball Park Caravan Park, Corowa Saleyards & Corowa Aquatic Centre) that need to be watched closely as changes in income can affect Council's overall position.

### A. Urana Caravan Park

The following table provides a summary of the operating result for the Urana Caravan Park.

	Actual YTD September 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	44	120	37%
<b>Total Income</b>	<b>44</b>	<b>120</b>	<b>37%</b>
<b>Expenses</b>			
Materials & Contracts	43	120	36%
<b>Total Expenses</b>	<b>43</b>	<b>120</b>	<b>36%</b>
<b>Net Operating Result (Consolidated)</b>	<b>1</b>	<b>-</b>	

At the 30<sup>th</sup> September 2023, year-to-date income (in the graph below in green) is well above the projected budgeted amount (in red).



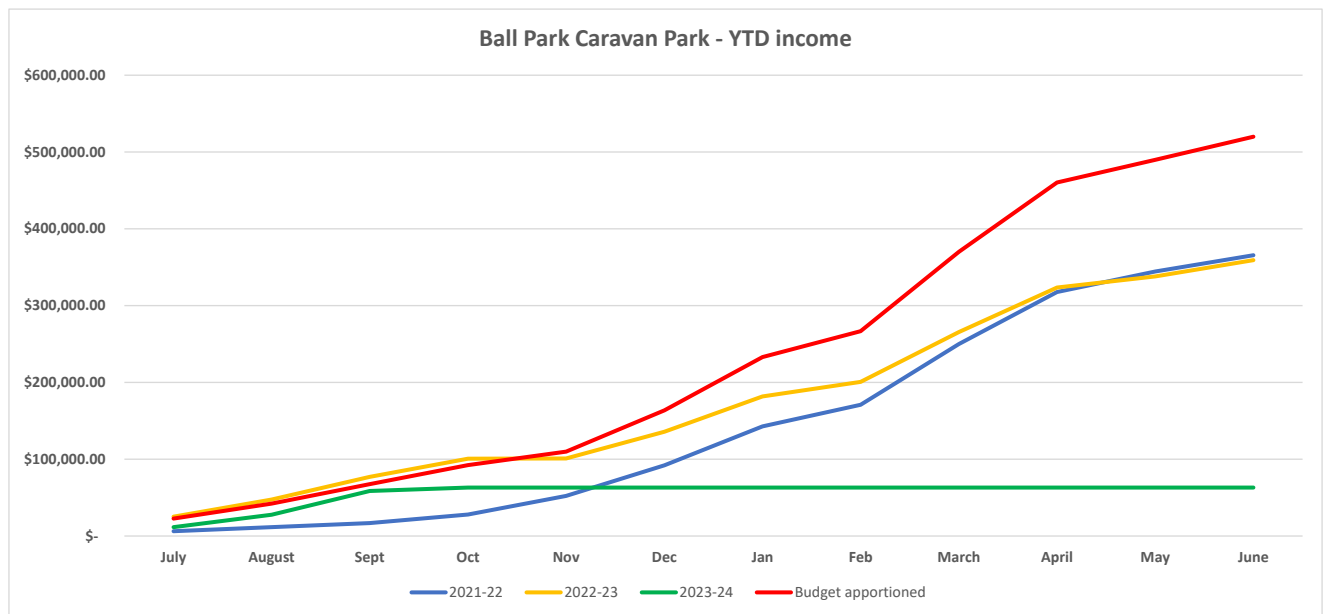
Expenditure is being incurred in line with the revenue being received and appears as expected at this stage.

## B. Ball Park Caravan Park

The following table provides a summary of the operating result for the Ball Park Caravan Park in Corowa.

	Actual YTD September 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	59	520	11%
<b>Total Income</b>	<b>59</b>	<b>520</b>	<b>11%</b>
<b>Expenses</b>			
Materials & Contracts	94	520	18%
<b>Total Expenses</b>	<b>94</b>	<b>520</b>	<b>18%</b>
<b>Net Operating Result (Consolidated)</b>	<b>- 35</b>	<b>-</b>	

At the 30<sup>th</sup> September 2023, year-to-date income (in the graph below in green) is just below the projected budgeted amount (in red).



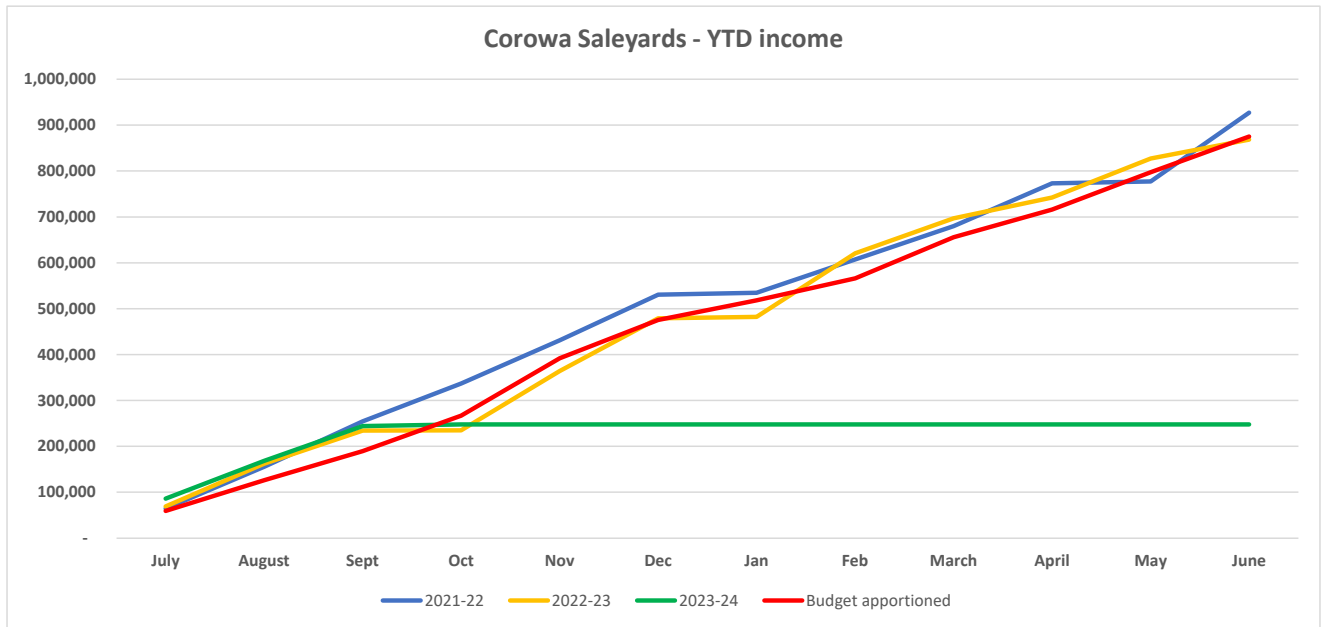
Expenditure for Ball Park Caravan Park includes significant fixed costs that are spread evenly through the financial year. The reported expenditure is as expected at this stage of the financial year.

### C. Corowa Saleyards

The following table provides a summary of the operating result for the Corowa Saleyards.

	Actual YTD September 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	246	875	28%
<b>Total Income</b>	<b>246</b>	<b>875</b>	<b>28%</b>
<b>Expenses</b>			
Employee Costs	88	349	25%
Materials & Contracts	92	209	44%
<b>Total Expenses</b>	<b>180</b>	<b>558</b>	<b>32%</b>
<b>Net Operating Result (Consolidated)</b>	<b>66</b>	<b>317</b>	<b>21%</b>

At the 30<sup>th</sup> September 2023, year-to-date income (in the graph below in green) is above the projected budgeted amount (in red).



## D. Corowa Aquatic Centre

The following table provides a summary of the operating result for the Corowa Aquatic Centre.

	Actual YTD September 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	93	450	21%
<b>Total Income</b>	<b>93</b>	<b>450</b>	<b>21%</b>
<b>Expenses</b>			
Employee Costs	143	770	19%
Materials & Contracts	55	567	10%
<b>Total Expenses</b>	<b>198</b>	<b>1,337</b>	<b>15%</b>
<b>Net Operating Result (Consolidated)</b>	<b>- 105</b>	<b>(887)</b>	<b>12%</b>

At the 30<sup>th</sup> September 2023, year-to-date income (in the graph below in green) is just above the projected budgeted amount in red.

