

FINANCIAL PERFORMANCE REPORT – August 2023

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

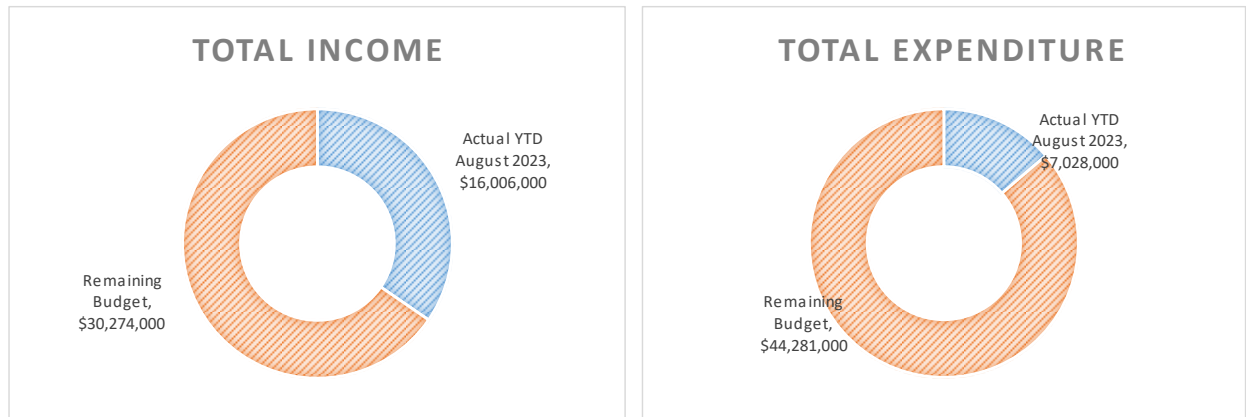
1. OPERATING RESULT

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

| | Actual YTD August 2023 (\$000's) | Annual Budget 2023/24 (\$000's) | Annual Budget % | Notes |
|--|--|--|-----------------------|-------|
| Income | | | | |
| Rates and Annual Charges | 13,772 | 19,806 | 70% | 1 |
| User Charges and Fees | 780 | 9,626 | 8% | 2 |
| Interest and Investment Revenues | - | 435 | 0% | |
| Other Revenues | 50 | 407 | 12% | |
| Grants & Contributions - Operating | 213 | 14,114 | 2% | |
| Grants & Contributions - Capital | 1,169 | 852 | 137% | 3 |
| Net gain from disposal of assets | 22 | 1,040 | 2% | |
| Total Income | 16,006 | 46,280 | 35% | |
| Expenses | | | | |
| Employee Costs | 2,097 | 17,578 | 12% | |
| Borrowing Costs | 24 | 520 | 5% | |
| Materials & Contracts | 2,470 | 18,024 | 14% | |
| Depreciation | 2,415 | 14,491 | 17% | |
| Other Expenses | 22 | 696 | 3% | |
| Total Expenses | 7,028 | 51,309 | 14% | |
| Net Operating Result (Consolidated) | 8,978 | (5,029) | -179% | |

Notes

1. Rates and Annual Charges – Rates annual charges were raised in full in July 2023. Water and Sewer annual charges will be raised in three equal instalments in November, March and June.
2. User Charges & Fees - Water and Sewer user fees will be raised in November, March and June.
3. Capital Grants & Contributions - Received \$1M for part payment of the Corowa Saleyards grant. Whilst this appears over budget, this is a timing difference and will be adjusted in the Carry forwards at the September ordinary Council meeting.



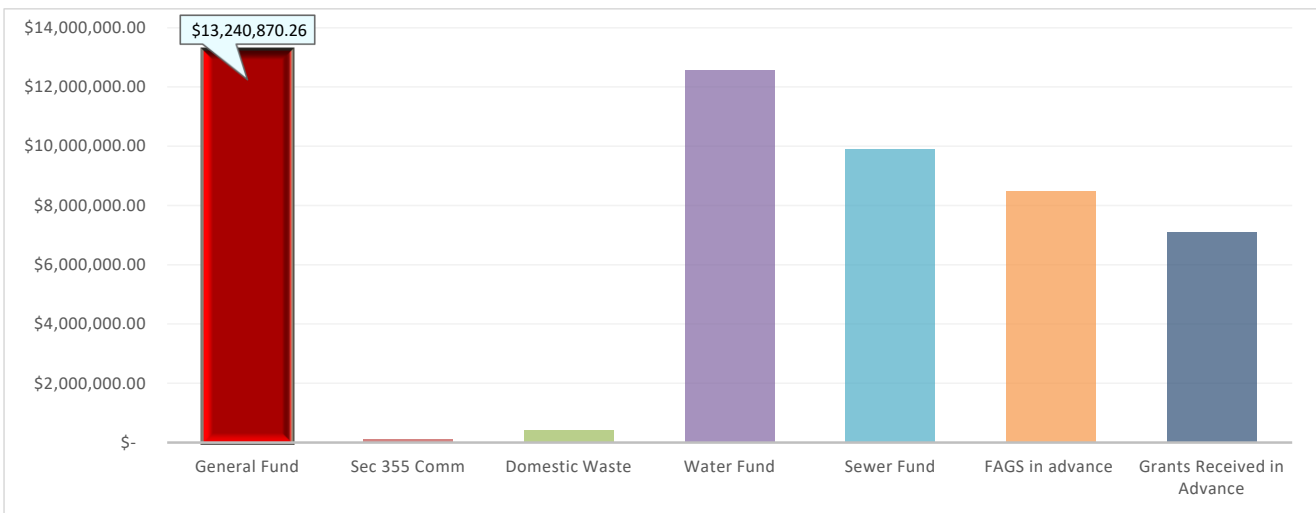
2. BALANCE SHEET

BANK BALANCES AND RECONCILIATION

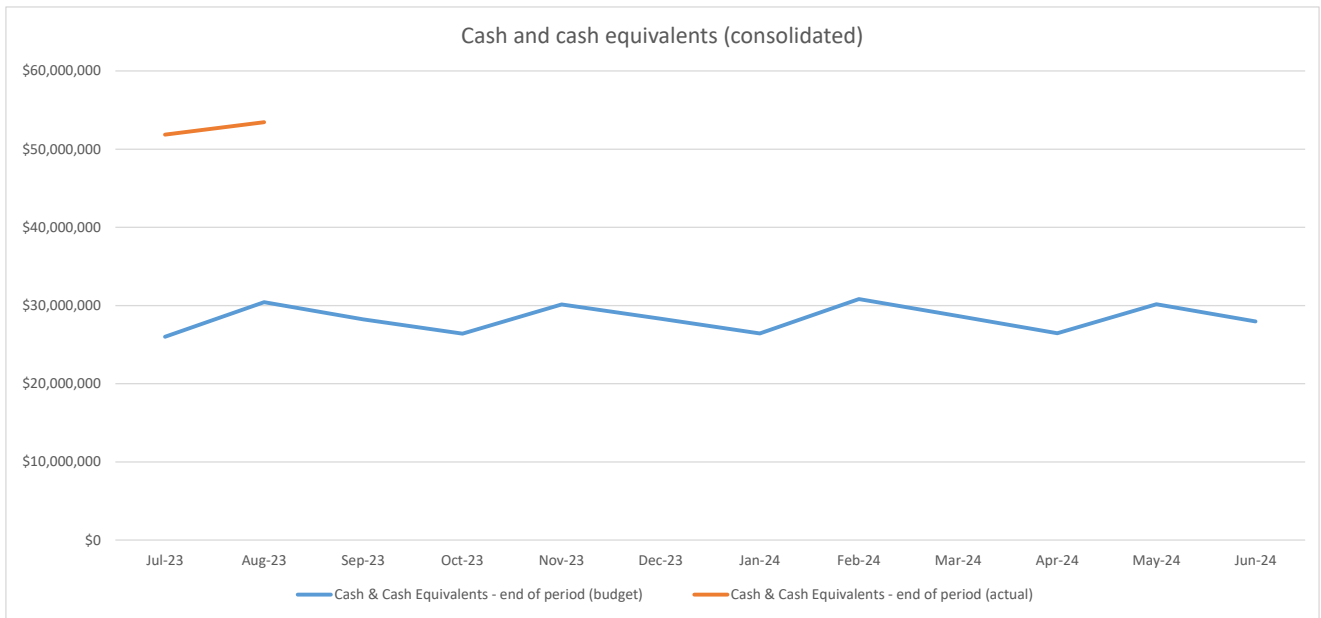
Council's Bank Balance as per Bank Statement at report date: 31st August 2023

\$

| | | |
|---------------------------------------|-----------|----------------------|
| General Account | 0000 0022 | 2,256,224.59 |
| Business Online Saver Account | 1014 2522 | 4,148,946.66 |
| Investments | | <u>47,024,021.52</u> |
| | Sub Total | 53,429,192.77 |
| Plus Deposits not yet lodged: | | |
| Corowa Tourism | 31/8/23 | 8.00 |
| Corowa Library | 31/8/23 | 3.00 |
| Urana Office | 30/8/23 | 200.00 |
| Urana Office | 31/8/23 | 670.41 |
| Corowa Office | 31/8/23 | 7,559.10 |
| | Sub Total | 53,437,633.28 |
| Less Unpresented Cheques | | 160.00 |
| Balance as per Ledger | | 53,437,473.28 |
| Less FAGS in advance | | 6,375,687.00 |
| Less External Restricted Funds | | <u>30,119,668.62</u> |
| Balance of General Fund Ledger | | 13,240,870.26 |



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 made in June 2023 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 31 August 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 | \$2,001,854.25 | 01/12/2022 | 4.12 | 275 | 01/09/2023 |
| Term Deposit | Westpac | \$1,000,000.00 | 23/09/2022 | 4.47 | 368 | 25/09/2023 |
| Term Deposit | Westpac | \$1,000,000.00 | 23/09/2022 | 4.47 | 368 | 25/09/2023 |
| 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 | 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 |

\$47,024,021.52

Certificate of reconciliation

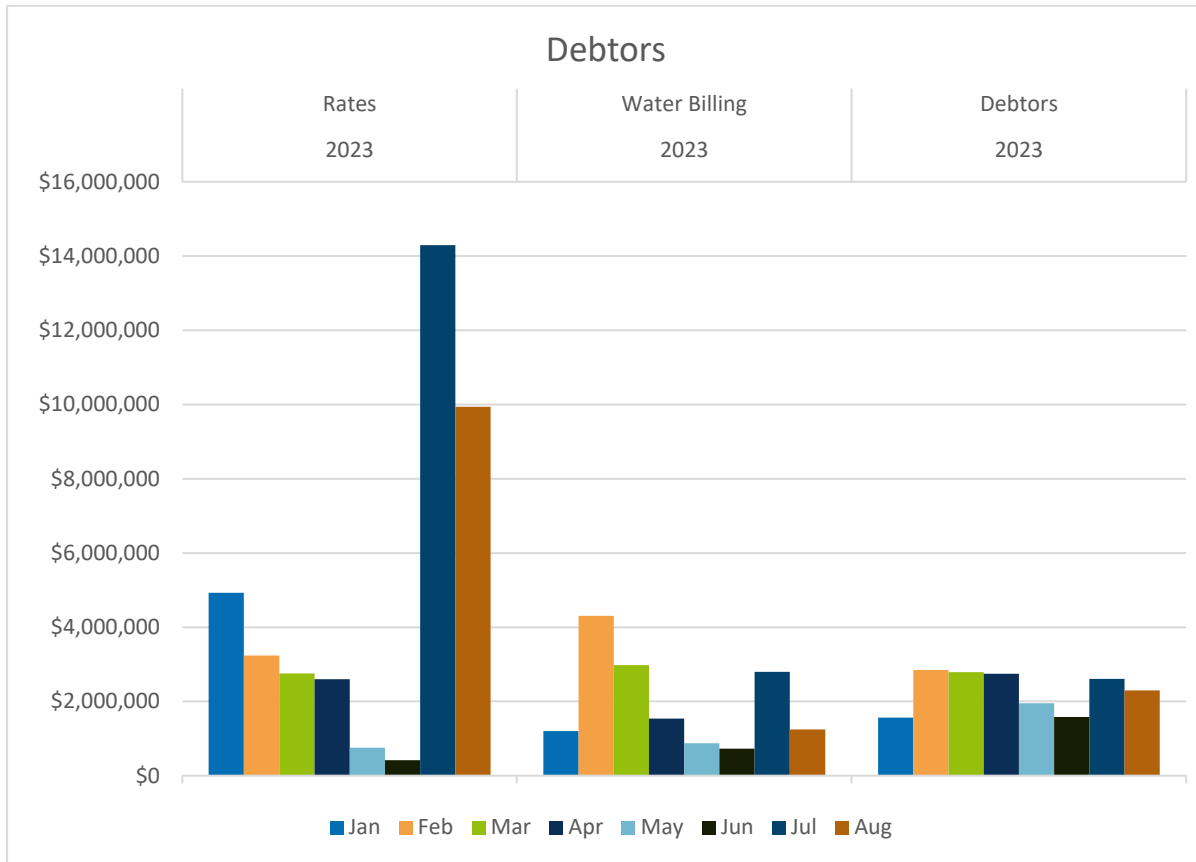
I certify that the investments have been made in accordance with section 625 of the Local Government Act 1993, the Regulations and Council's policies.

*S Norman
Manager Finance*

DEBTORS

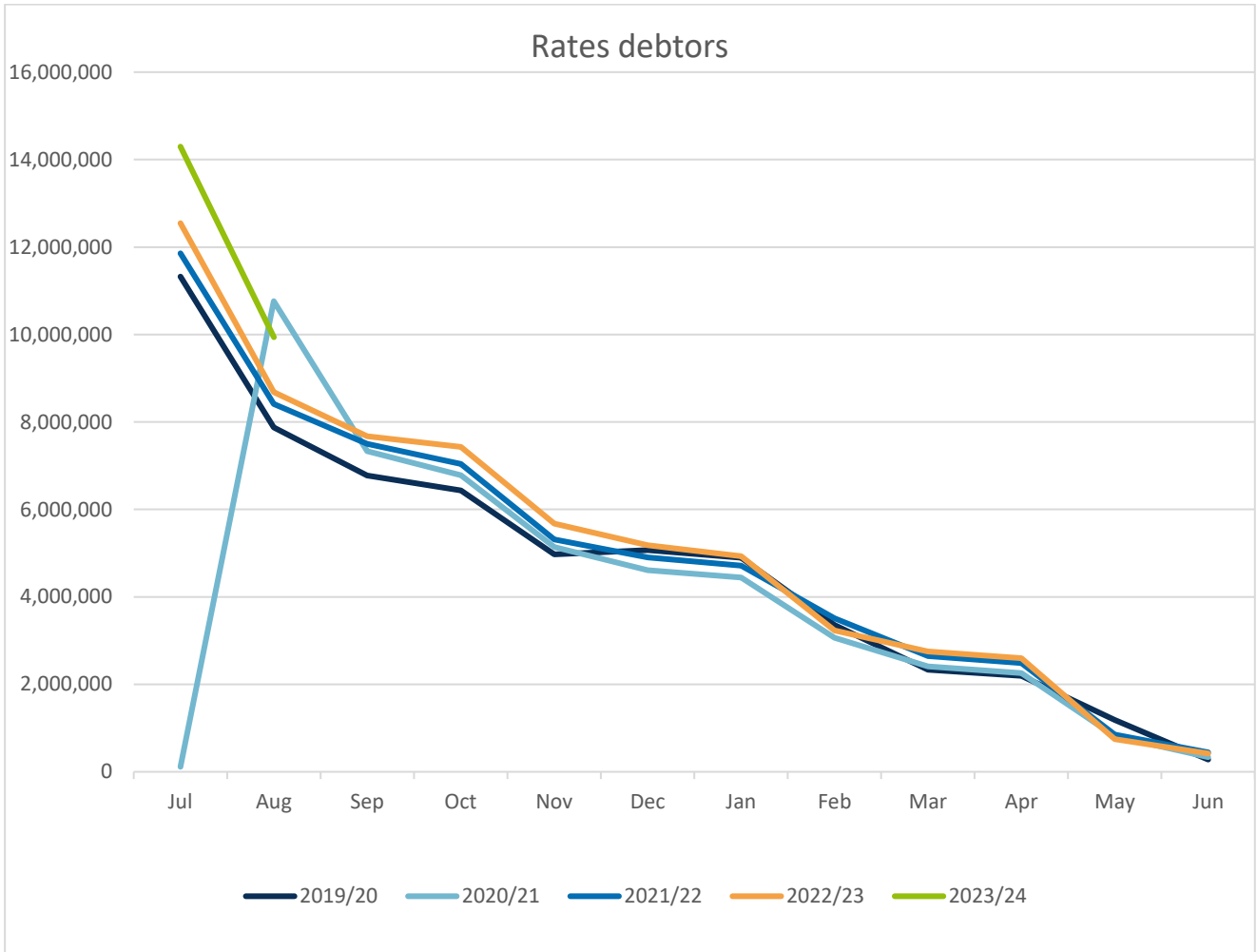
Debtors balance as at 31st August 2023 is \$13,480,443 with an overall decrease of \$6,219,071 from the previous month due to Rates 1st instalment being due at end of August and Water Billing due in August.

As detailed in the below graph, rates debtor has decreased by \$4,358,875 and Water debtor has decreased by \$1,554,242 and sundry debtor decreased by \$305,954.



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.

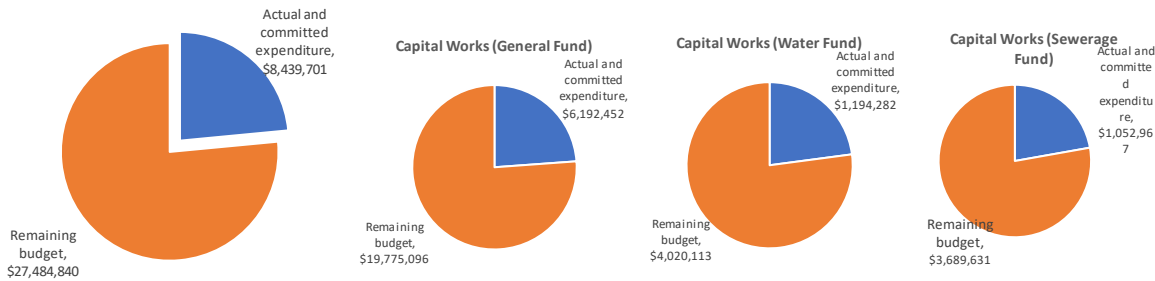


3. CAPITAL EXPENDITURE

This table provides a summary of capital works projects being progressed in 2023/24. The original budget was adopted in June 2023. Carry forward projects (budget and actual expenditure) have also been included, pending formal adoption at the September 2023 ordinary Council meeting.

| Federation Council | | | | | | | | | | |
|---|-------------------|-------------------|-----------------------------------|--------------------|-------------------|-------------------|-------------------|----------------------------------|--------------------|-------------------|
| Capital Works Reporting (Snapshot) | | | | | | | | | | |
| 31 August 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 | 610,785 | 40% | 918,742 |
| Stronger Country Community Grants | - | 788,921 | - | - | - | - | 788,921 | 60,400 | 8% | 728,521 |
| Information Technology | 307,000 | 20,000 | - | - | - | - | 327,000 | 24,846 | 8% | 302,154 |
| Local Road Community Infrastructure | - | 902,895 | - | - | - | - | 902,895 | 475,841 | 53% | 427,054 |
| Plant & Equipment | 1,906,000 | 2,072,933 | - | - | - | - | 3,978,933 | 1,411,578 | 35% | 2,567,355 |
| Regional Growth Fund Grants | - | 160,000 | - | - | - | - | 160,000 | 103,312 | 65% | 56,688 |
| Roads, Footpaths, Bridges, Kerb & Guttering, Drainage | 5,117,000 | 10,190,765 | - | - | - | - | 15,307,765 | 754,912 | 5% | 14,552,854 |
| Saleyards | - | 2,972,507 | - | - | - | - | 2,972,507 | 2,750,780 | 93% | 221,727 |
| Sewerage | 1,561,000 | 3,181,598 | - | - | - | - | 4,742,598 | 1,052,967 | 22% | 3,689,631 |
| Water | 1,495,000 | 3,719,395 | - | - | - | - | 5,214,395 | 1,194,282 | 23% | 4,020,113 |
| Total Capital Works 2023/24 | 10,386,000 | 25,538,541 | - | - | - | - | 35,924,541 | 8,439,701 | 23% | 27,484,840 |
| Capital Works (General Fund) | 7,330,000 | 18,637,548 | - | - | - | - | 25,967,548 | 6,192,452 | 24% | 19,775,096 |
| Capital Works (Water Fund) | 1,495,000 | 3,719,395 | - | - | - | - | 5,214,395 | 1,194,282 | 23% | 4,020,113 |
| Capital Works (Sewerage Fund) | 1,561,000 | 3,181,598 | - | - | - | - | 4,742,598 | 1,052,967 | 22% | 3,689,631 |
| Total Capital Works 2023/24 | 10,386,000 | 25,538,541 | - | - | - | - | 35,924,541 | 8,439,701 | 23% | 27,484,840 |

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.

Income & Expenditure to 31st August 2023

| | Income | Expenditure |
|---------------------------------|------------------------|------------------------|
| Roads | \$ 1,000,000.00 | \$ 2,228,243.12 |
| Building & Facilities | \$ - | \$ 210,453.77 |
| Parks & Gardens | \$ - | \$ 85,931.67 |
| Ball Park Caravan Park Clean Up | \$ - | \$ 7,626.80 |
| Resilience NSW | \$ - | \$ - |
| Total | \$ 1,000,000.00 | \$ 2,532,255.36 |