

FINANCIAL PERFORMANCE REPORT – December 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 December 2023 (\$000's)	Annual Budget 2023/24 (\$000's)	Annual Budget %	Notes
Income				
Rates and Annual Charges	15,776	19,806	80%	1
User Charges and Fees	3,371	9,626	35%	2
Interest and Investment Revenues	118	435	27%	3
Other Revenues	266	407	65%	4
Grants & Contributions - Operating	8,392	15,242	55%	
Grants & Contributions - Capital	11,669	17,776	66%	5
Net gain from disposal of assets	574	1,040	55%	
Total Income	40,166	64,332	62%	
Expenses				
Employee Costs	7,837	17,742	44%	6
Borrowing Costs	190	520	37%	7
Materials & Contracts	8,882	19,339	46%	
Depreciation	7,246	14,491	50%	
Other Expenses	310	696	45%	
Total Expenses	24,465	52,788	46%	
Net Operating Result (Consolidated)	15,701	11,544	136%	

At 31 December 2023, we are 50 % through the financial year. The following notes provide a brief explanation where revenue or expenditure is less than 45% or more than 55% 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 100% later in the financial year.
4. Other Revenues – \$44,397.39 State Cover incentive received for 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. Employee Costs – Council has a couple of positions that were budgeted for but as yet are not filled.
7. Borrowings Costs – borrowing costs are recognised when loan payments are made. These are generally on a six-monthly basis.



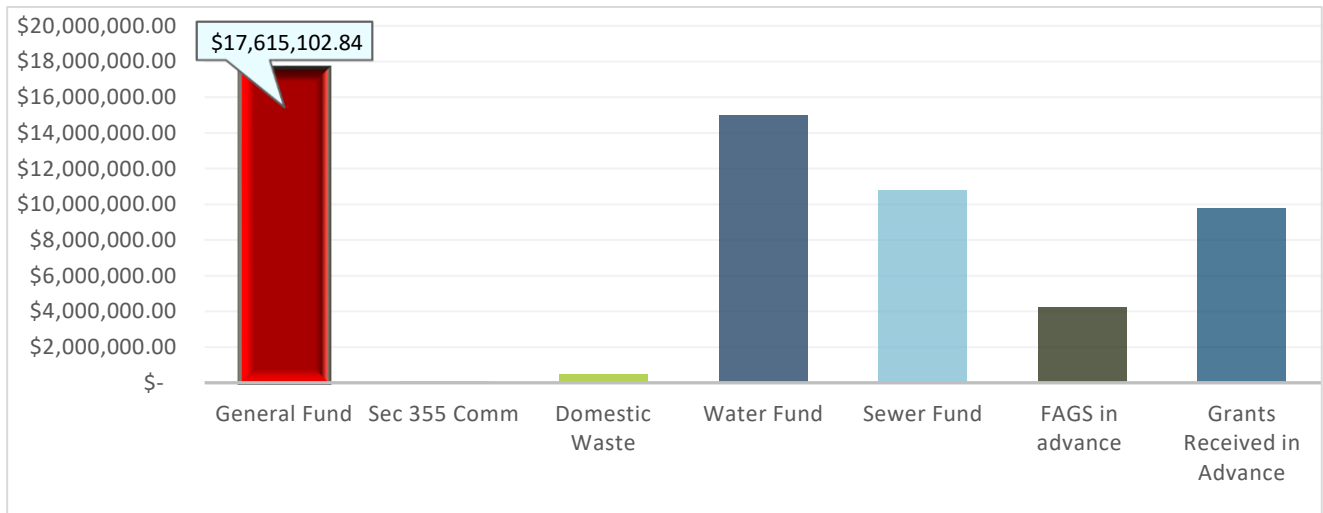
2. BALANCE SHEET

BANK BALANCES AND RECONCILIATION

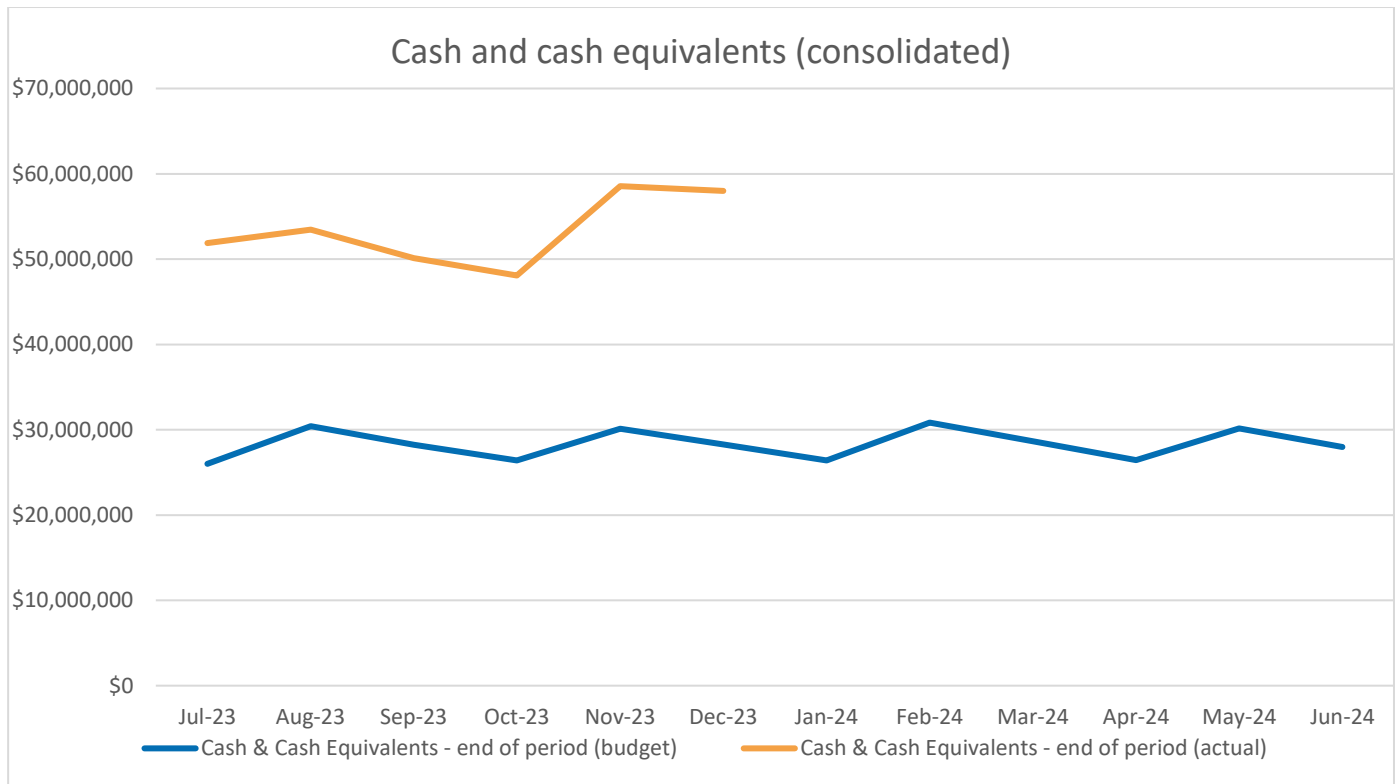
Council's Bank Balance as per Bank Statement at report date: 31st December 2023

\$

General Account	0000 0022	2,110,315.21
Business Online Saver Account	1014 2522	4,363,718.36
Investments		<u>51,520,579.83</u>
	Sub Total	57,994,613.40
Plus Deposits not yet lodged:		
Corowa Office	22/12/23	517.50
Tourism	28/12/23	8.75
Tourism	29/12/23	5.00
Tourism	30/12/23	11.00
	Sub Total	57,995,155.65
Less Unpresented Cheques		243.00
Balance as per Ledger		57,994,912.65
Less FAGS in advance		4,250,458.00
Less External Restricted Funds		<u>36,129,351.81</u>
Balance of General Fund Ledger		17,615,102.84



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 \$4.25 million (Instalments 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
- Receipt of \$5.9m in funding from the Regional Emergency Road Repair Funds received in advance in November 2023 for works to be undertaken over the next three years.
- Receipt of \$1.0m in funding from NSW Local Government Recovery Grants under Disaster Receiver Funding arrangements received in November 2023 for works to be undertaken in late 2023 and 2024.
- Receipt of \$3.8m loan from New South Wales Treasury (TCorp) for upgrade of water system at Howlong Dam.

Certificate of reconciliation

I certify that Council’s general ledger bank accounts have been reconciled with the appropriate bank statements as at 31 December 2023.

S Norman

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	\$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	Suncorp	\$1,000,000.00	16/10/2023	5.12	184	16/04/2024
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	\$500,000.00	01/11/2023	5.54	366	01/11/2024
Term Deposit	NAB	\$2,006,883.39	17/11/2023	5.30	368	18/11/2024
Term Deposit	Westpac	\$1,000,000.00	16/02/2023	4.90	733	17/02/2025
Term Deposit	Westpac	\$1,500,000.00	04/12/2023	5.34	366	04/12/2024
Term Deposit	NAB	\$2,000,000.00	05/12/2023	5.35	366	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	366	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	366	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	366	05/12/2024
Term Deposit	Suncorp	\$2,000,000.00	06/12/2023	5.26	365	05/12/2024
Term Deposit	Suncorp	\$1,000,000.00	08/12/2023	5.23	307	08/10/2024
Term Deposit	NAB	\$2,000,000.00	14/12/2023	5.16	305	14/10/2024

\$51,520,579.83

Certificate of reconciliation

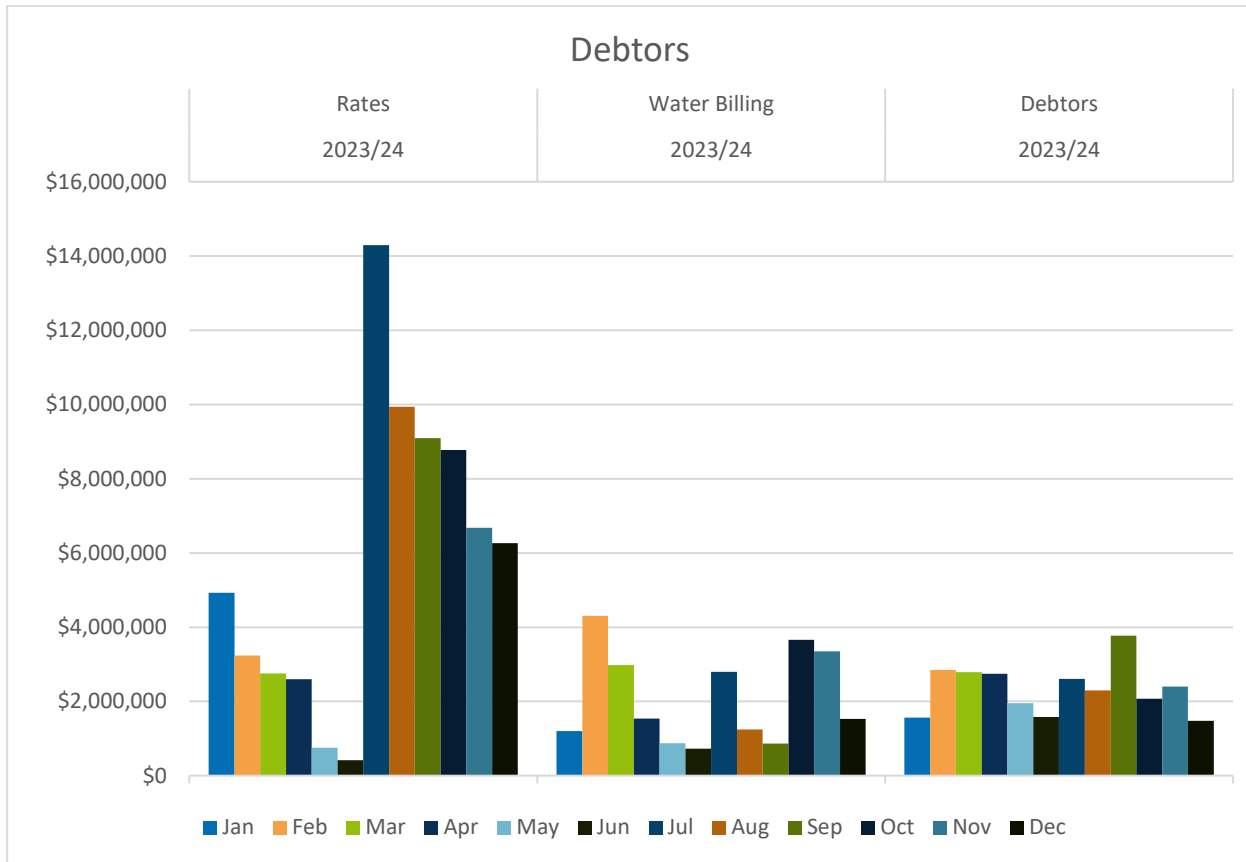
I certify that the investments have been made in accordance with section 625 of the Local Government Act 1993, the Regulations and Council's policies.

S Norman
Manager Finance

DEBTORS

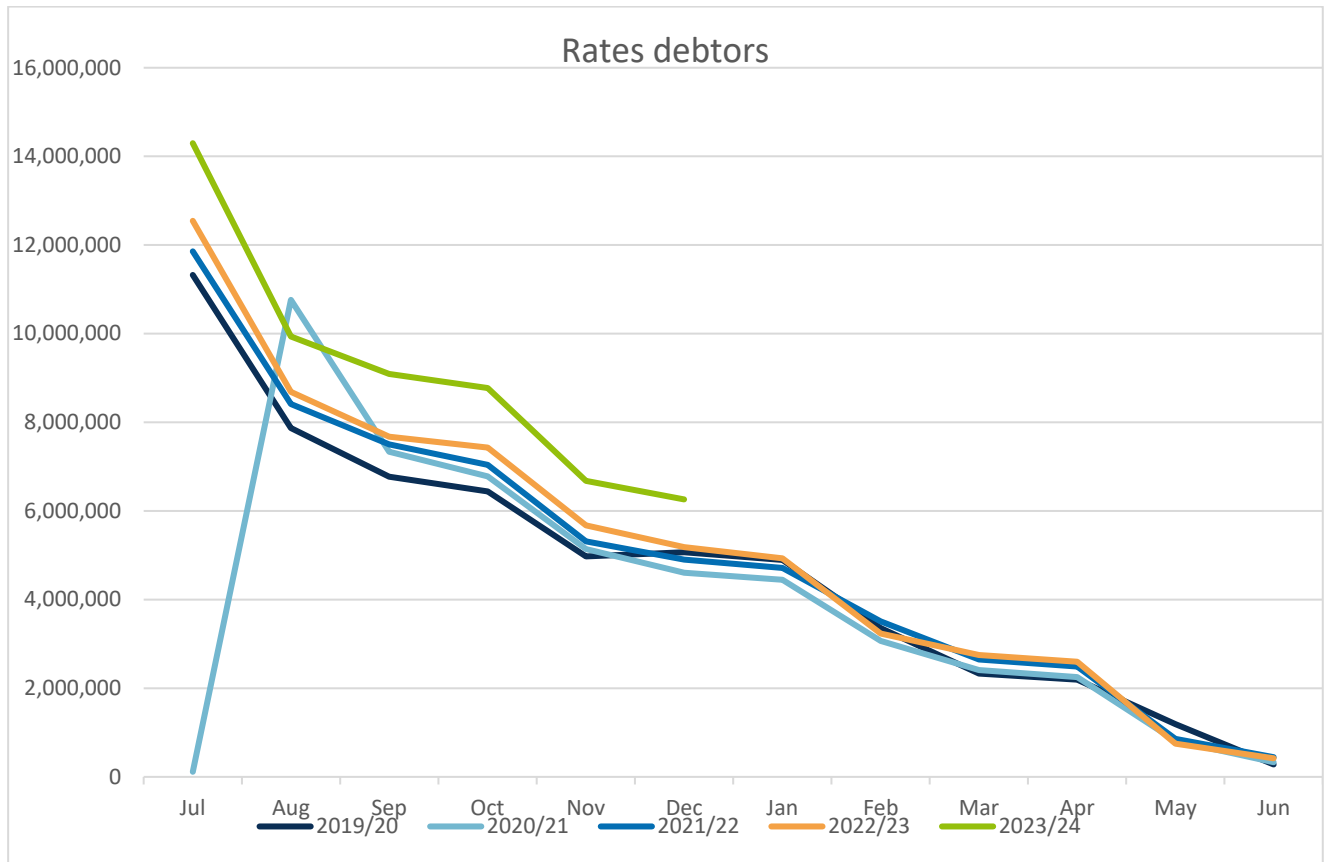
Debtors balance as at 31st December 2023 is \$9,273,778 with an overall decrease of \$3,152,994 from the previous month mainly due to water charges being due on the 13th December.

As detailed in the below graph, rates debtor has decreased by \$416,562 and Water debtor has decreased by \$1,819,120 and sundry debtor decreased by \$917,311.



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



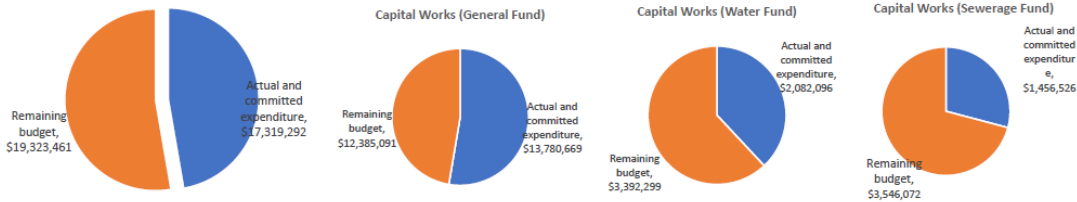
3. CAPITAL EXPENDITURE

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)
31 December 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	Notes
Buildings, Land Improvements, Land & Recreation	-	1,529,527	-	-	-	-	1,529,527	929,429	61%	600,098	
Stronger Country Community Grants	-	788,921	-	-	-	-	788,921	103,727	13%	685,194	
Information Technology	307,000	20,000	-	80,000	-	-	407,000	270,716	67%	136,284	
Local Road Community Infrastructure	-	902,895	-	-	-	-	902,895	679,305	75%	223,590	
Plant & Equipment	1,906,000	2,072,933	-	-	-	-	3,978,933	3,342,372	84%	636,561	
Regional Growth Fund Grants	-	160,000	-	-	-	-	160,000	158,022	99%	1,978	
Roads, Footpaths, Bridges, Kerb & Guttering, Drainage	5,117,000	10,190,765	118,212	-	-	-	15,425,977	5,459,566	35%	9,966,411	
Saleyards	-	2,972,507	-	-	-	-	2,972,507	2,837,533	95%	134,974	
Sewerage	1,561,000	3,181,598	-	260,000	-	-	5,002,598	1,456,526	29%	3,546,072	
Water	1,495,000	3,719,395	-	260,000	-	-	5,474,395	2,082,096	38%	3,392,299	
Total Capital Works 2023/24	10,386,000	25,538,541	118,212	600,000	-	-	36,642,753	17,319,292	47%	19,323,461	
Capital Works (General Fund)	7,330,000	18,637,548	118,212	80,000	-	-	26,165,760	13,780,669	53%	12,385,091	
Capital Works (Water Fund)	1,495,000	3,719,395	-	260,000	-	-	5,474,395	2,082,096	38%	3,392,299	
Capital Works (Sewerage Fund)	1,561,000	3,181,598	-	260,000	-	-	5,002,598	1,456,526	29%	3,546,072	
Total Capital Works 2023/24	10,386,000	25,538,541	118,212	600,000	-	-	36,642,753	17,319,292	47%	19,323,461	

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 31st December 2023

	Income	Expenditure
Roads	\$ 1,000,000.00	\$ 2,353,205.12
Building & Facilities	\$ 1,000,000.00	\$ 327,519.77
Parks & Gardens	\$ -	\$ 85,931.67
Ball Park Caravan Park Clean Up	\$ -	\$ 7,626.80
Resilience NSW	\$ -	\$ -
Total	\$ 2,000,000.00	\$ 2,774,283.36

5. BUSINESS UNITS

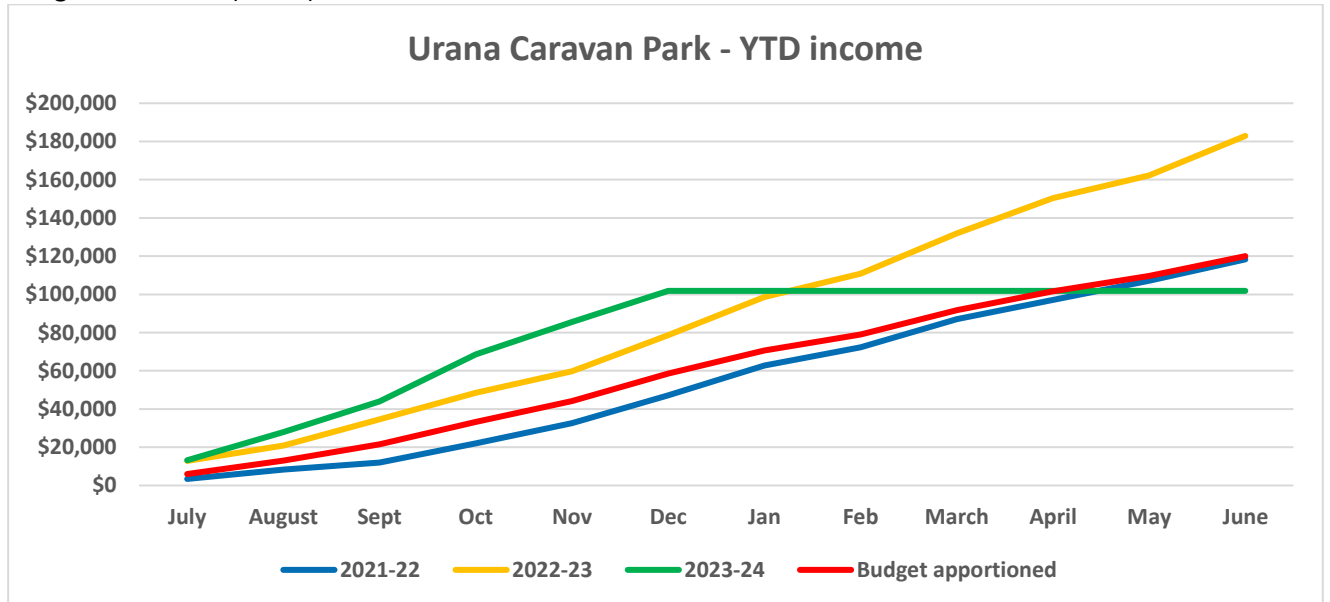
Council has four business units (Urana Caravan Park, Ball Park Caravan Park, Corowa Saleyards & Corowa Aquatic Centre) that need to be watched closely as changes in income can affect Council's overall position.

A. Urana Caravan Park

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

	Actual YTD December 2023 (\$000's)	Annual Budget 2023/24 (\$000's)	Annual Budget %
Income			
User Charges and Fees	93	120	78%
Total Income	93	120	78%
Expenses			
Materials & Contracts	90	120	75%
Total Expenses	90	120	75%
Net Operating Result (Consolidated)	3	-	

At the 31st December 2023, year-to-date income (in the graph below in green) is well above the projected budgeted amount (in red).



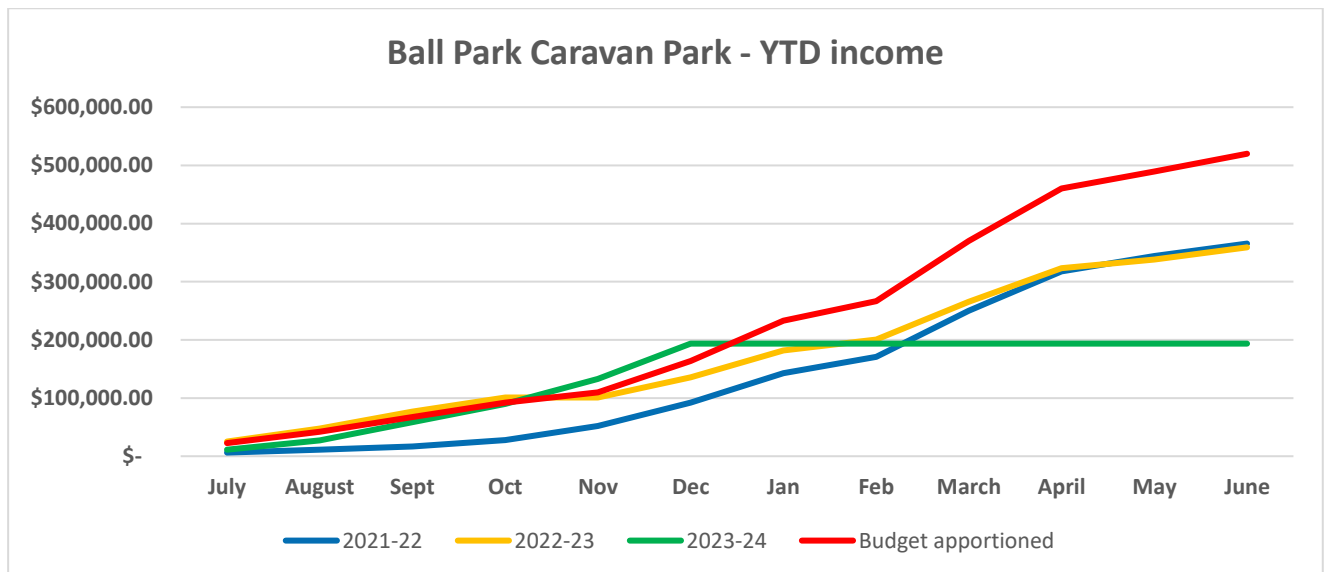
Expenditure is being incurred in line with the revenue being received and appears as expected at this stage.

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 December 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
Income			
User Charges and Fees	194	520	37%
Total Income	194	520	37%
Expenses			
Materials & Contracts	233	520	45%
Total Expenses	233	520	45%
Net Operating Result (Consolidated)	- 39	-	

At the 31st December 2023, year-to-date income (in the graph below in green) is above the projected budgeted amount (in red).



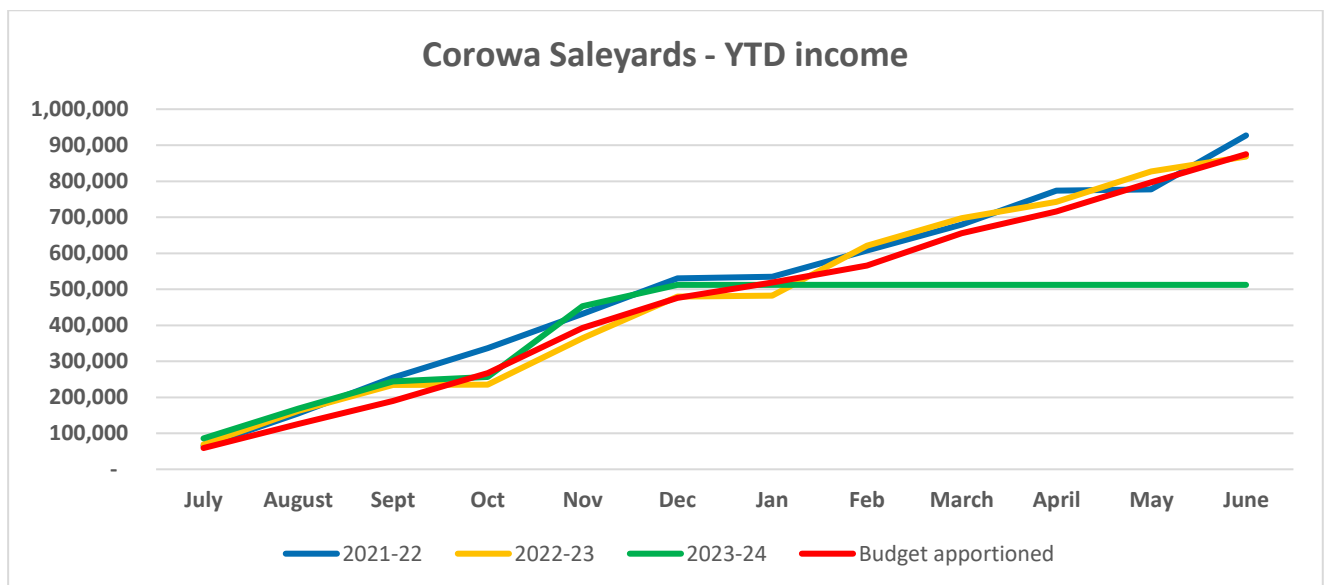
Expenditure for Ball Park Caravan Park includes significant fixed costs that are spread evenly through the financial year. The reported expenditure is as expected at this stage of the financial year.

C. Corowa Saleyards

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

	Actual YTD December 2023 (\$000's)	Annual Budget 2023/24 (\$000's)	Annual Budget %
Income			
User Charges and Fees	512	875	59%
Total Income	512	875	59%
Expenses			
Employee Costs	163	349	47%
Materials & Contracts	136	209	65%
Total Expenses	299	558	54%
Net Operating Result (Consolidated)	213	317	67%

At the 31st December 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 December 2023	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
Income			
User Charges and Fees	163	450	36%
Total Income	163	450	36%
Expenses			
Employee Costs	303	770	39%
Materials & Contracts	139	567	25%
Total Expenses	442	1,337	33%
Net Operating Result (Consolidated)	(279)	(887)	31%

At the 31st December 2023, year-to-date income (in the graph below in green) is just below the projected budgeted amount in red.

