

# FINANCIAL PERFORMANCE REPORT – January 2024

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).

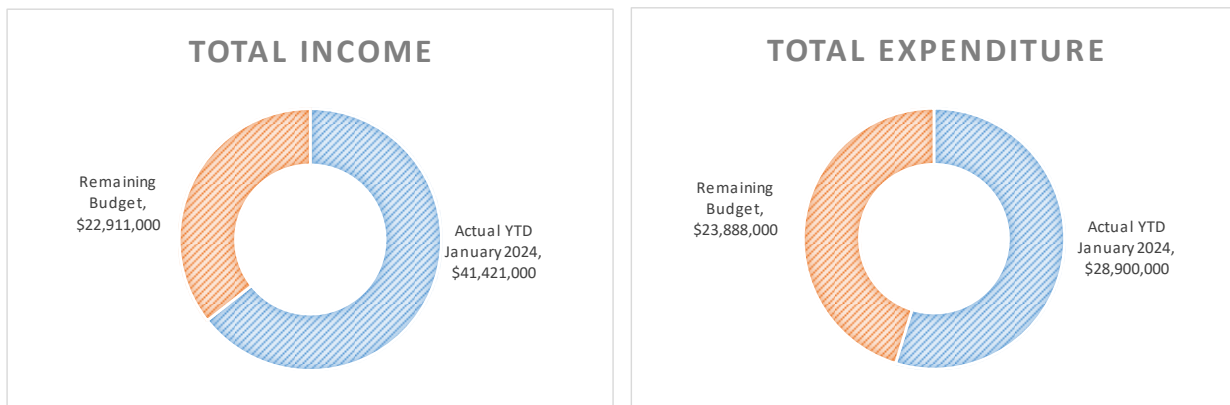
### Consolidated position

	Actual YTD January 2024 (\$000's)	Annual Budget 2023/24 (\$000's)	Annual Budget %	Notes
<b>Income</b>				
Rates and Annual Charges	15,788	19,806	80%	1
User Charges and Fees	3,883	9,626	40%	2
Interest and Investment Revenues	277	435	64%	3
Other Revenues	287	407	71%	4
Grants & Contributions - Operating	8,777	15,242	58%	
Grants & Contributions - Capital	11,669	17,776	66%	5
Net gain from disposal of assets	740	1,040	71%	6
<b>Total Income</b>	<b>41,421</b>	<b>64,332</b>	<b>64%</b>	
<b>Expenses</b>				
Employee Costs	9,084	17,742	51%	7
Borrowing Costs	249	520	48%	8
Materials & Contracts	10,707	19,339	55%	
Depreciation	8,453	14,491	58%	
Other Expenses	407	696	58%	
<b>Total Expenses</b>	<b>28,900</b>	<b>52,788</b>	<b>55%</b>	
<b>Net Operating Result (Consolidated)</b>	<b>12,521</b>	<b>11,544</b>	<b>108%</b>	

At 31 January 2024, we are 58 % through the financial year. The following notes provide a brief explanation where revenue or expenditure is less than 53% or more than 63% 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. Net Gain from Disposal of assets – Council has sold the two blocks of industrial land that was budgeted for.
7. Employee Costs – Council has a couple of positions that were budgeted for but as yet are not filled.
8. Borrowings Costs – borrowing costs are recognised when loan payments are made. These are generally on a six-monthly basis.



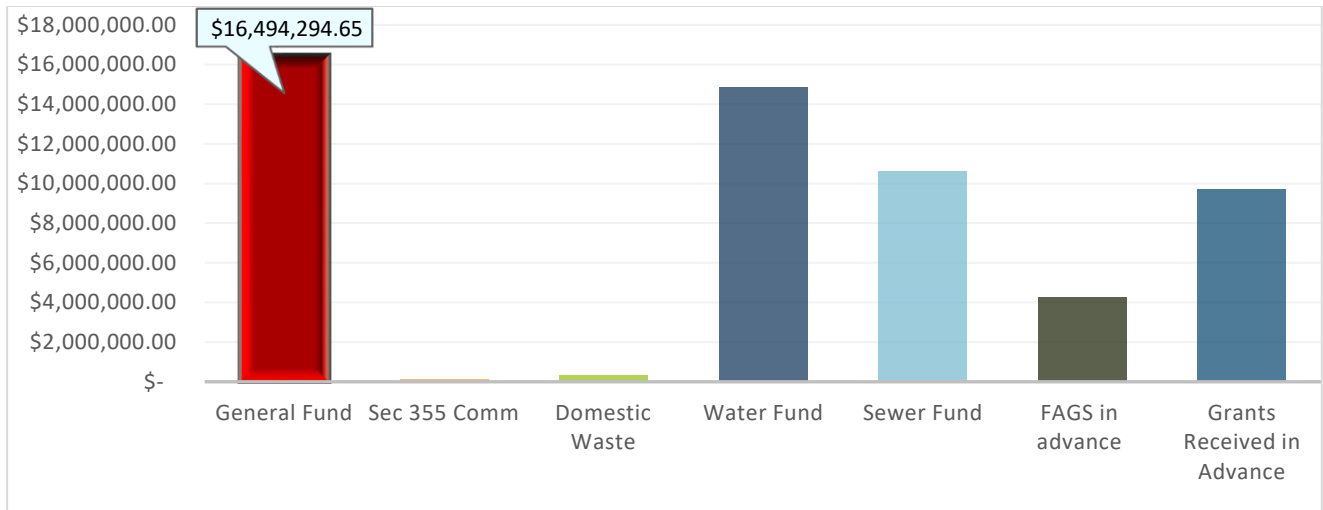
## 2. BALANCE SHEET

### BANK BALANCES AND RECONCILIATION

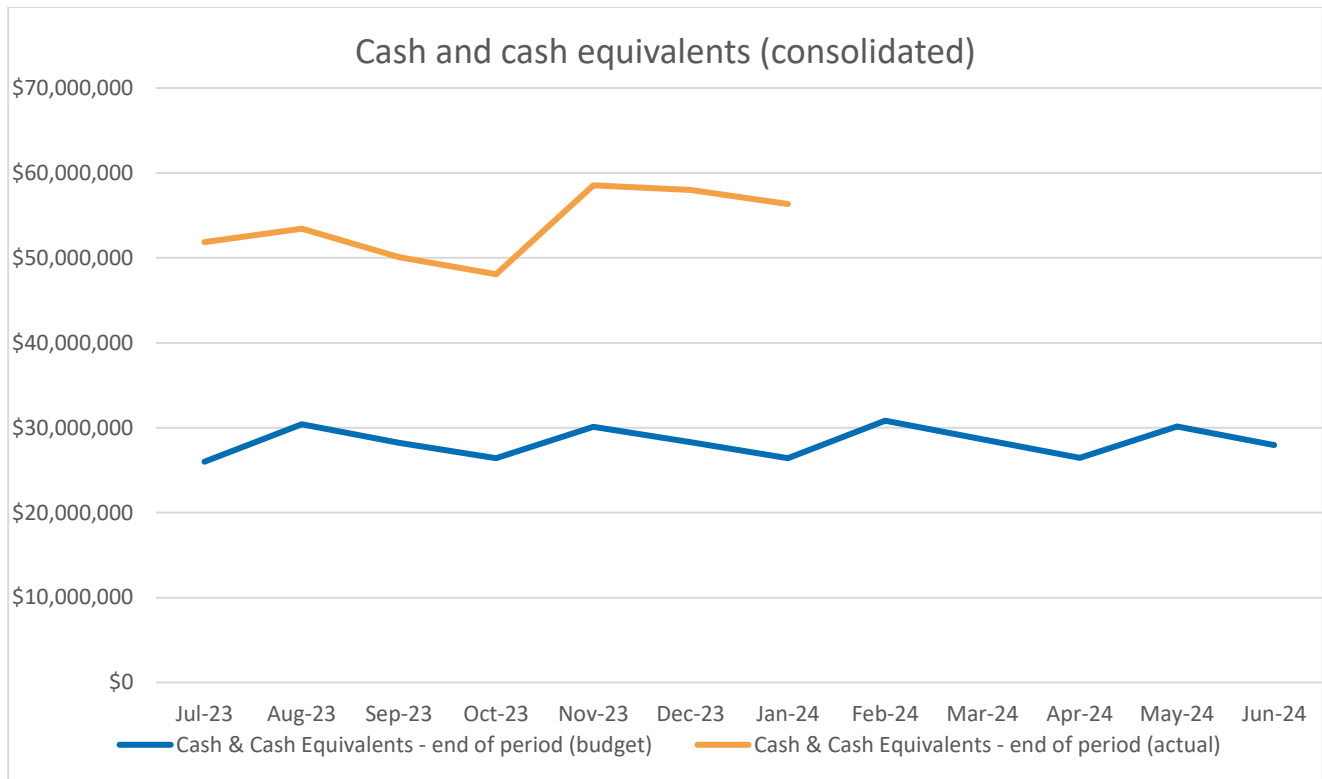
Council's Bank Balance as per Bank Statement at report date: 31<sup>st</sup> December 2023

\$

General Account	0000 0022	450,810.77
Business Online Saver Account	1014 2522	4,388,718.97
Investments		<u>51,520,579.83</u>
	Sub Total	56,360,109.57
Plus Deposits not yet lodged:		
Corowa Office	31/01/24	1,480.00
Tourism	31/01/24	16.00
Howlong	31/01/24	263.00
	Sub Total	56,361,868.57
Less Unpresented Cheques		893.00
Balance as per Ledger		56,360,975.57
Less FAGS in advance		4,250,458.00
Less External Restricted Funds		<u>35,616,222.92</u>
<b>Balance of General Fund Ledger</b>		<b>16,494,294.65</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 \$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 January 2024.*

*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	\$1,003,605.75	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	Suncorp	\$1,000,000.00	08/12/2023	5.23	306	08/10/2024
Term Deposit	NAB	\$2,000,000.00	14/12/2023	5.16	306	14/10/2024
Term Deposit	Westpac	\$500,000.00	01/11/2023	5.54	367	01/11/2024
Term Deposit	NAB	\$2,006,883.39	17/11/2023	5.30	368	18/11/2024
Term Deposit	Westpac	\$1,500,000.00	04/12/2023	5.34	367	04/12/2024

Term Deposit	NAB	\$2,000,000.00	05/12/2023	5.35	367	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	367	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	367	05/12/2024
Term Deposit	Westpac	\$2,000,000.00	05/12/2023	5.38	367	05/12/2024
Term Deposit	Suncorp	\$2,000,000.00	06/12/2023	5.26	367	05/12/2024
Term Deposit	NAB	\$1,000,000.00	04/01/2024	5.10	369	06/01/2025
Term Deposit	NAB	\$500,000.00	04/01/2024	5.10	369	06/01/2025
Term Deposit	NAB	\$500,000.00	04/01/2024	5.10	369	06/01/2025
Term Deposit	Suncorp	\$2,000,000.00	05/01/2024	5.20	368	06/01/2025
Term Deposit	Westpac	\$1,000,000.00	31/01/2024	5.11	367	31/01/2025
Term Deposit	Westpac	\$1,000,000.00	16/02/2023	4.90	733	17/02/2025

**\$51,520,579.83**

**Certificate of reconciliation**

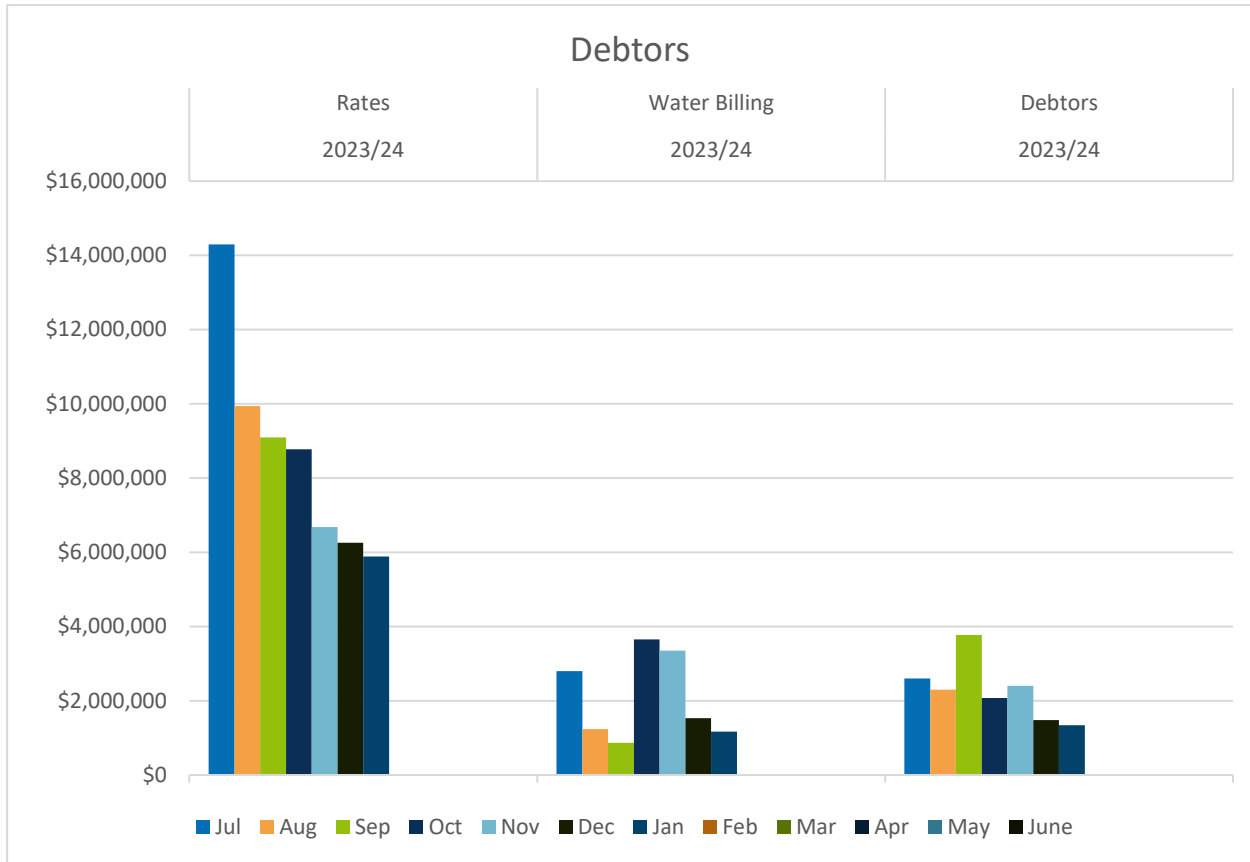
*I certify that the investments have been made in accordance with section 625 of the Local Government Act 1993, the Regulations and Council's policies.*

*S Norman  
Manager Finance*

**DEBTORS**

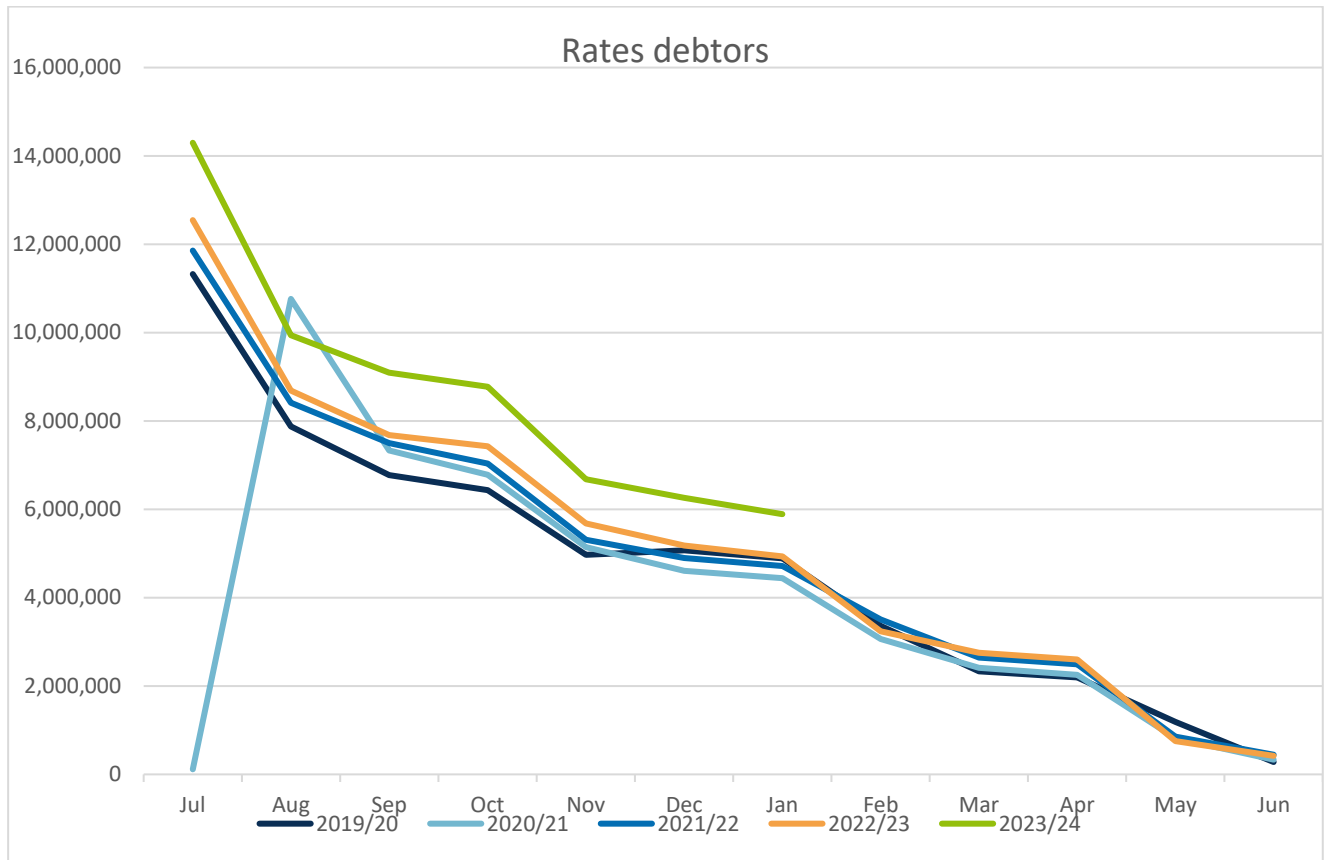
Debtors balance as at 31<sup>st</sup> January 2024 is \$8,396,730 with an overall decrease of \$877,049.

As detailed in the below graph, rates debtor has decreased by \$370,436 and Water debtor has decreased by \$365,276 and sundry debtor decreased by \$141,337



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



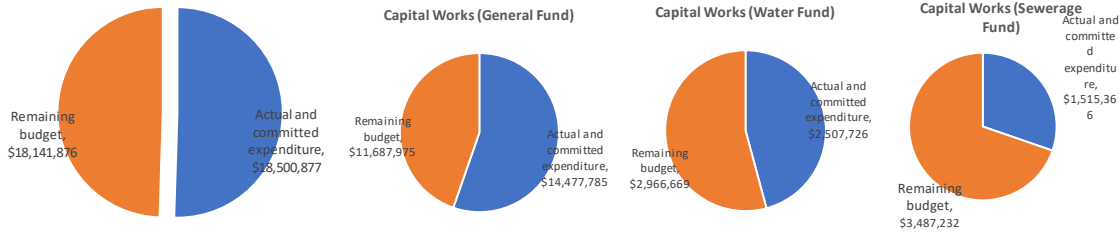


### 3. CAPITAL EXPENDITURE

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 January 2024											
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	1,033,566	68%	495,961	
Stronger Country Community Grants	-	788,921	-	-	-	-	788,921	103,727	13%	685,194	
Information Technology	307,000	20,000	-	80,000	-	-	407,000	273,403	67%	133,597	
Local Road Community Infrastructure	-	902,895	-	-	-	-	902,895	683,941	76%	218,954	
Plant & Equipment	1,906,000	2,072,933	-	-	-	-	3,978,933	3,667,784	92%	311,149	
Regional Growth Fund Grants	-	160,000	-	-	-	-	160,000	159,162	99%	838	
Roads, Footpaths, Bridges, Kerb & Guttering, Drainage	5,117,000	10,190,765	118,212	-	-	-	15,425,977	5,625,280	36%	9,800,697	
Saleyards	-	2,972,507	-	-	-	-	2,972,507	2,930,923	99%	41,584	
Sewerage	1,561,000	3,181,598	-	260,000	-	-	5,002,598	1,515,366	30%	3,487,232	
Water	1,495,000	3,719,395	-	260,000	-	-	5,474,395	2,507,726	46%	2,966,669	
<b>Total Capital Works 2023/24</b>	<b>10,386,000</b>	<b>25,538,541</b>	<b>118,212</b>	<b>600,000</b>	-	-	<b>36,642,753</b>	<b>18,500,877</b>	<b>50%</b>	<b>18,141,876</b>	
Capital Works (General Fund)	7,330,000	18,637,548	118,212	80,000	-	-	26,165,760	14,477,785	55%	11,687,975	
Capital Works (Water Fund)	1,495,000	3,719,395	-	260,000	-	-	5,474,395	2,507,726	46%	2,966,669	
Capital Works (Sewerage Fund)	1,561,000	3,181,598	-	260,000	-	-	5,002,598	1,515,366	30%	3,487,232	
<b>Total Capital Works 2023/24</b>	<b>10,386,000</b>	<b>25,538,541</b>	<b>118,212</b>	<b>600,000</b>	-	-	<b>36,642,753</b>	<b>18,500,877</b>	<b>50%</b>	<b>18,141,876</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 31<sup>st</sup> January 2024

	<b>Income</b>	<b>Expenditure</b>
Roads	\$ 1,000,000.00	\$ 2,374,006.12
Building & Facilities	\$ 1,000,000.00	\$ 358,357.77
Parks & Gardens	\$ -	\$ 85,931.67
Ball Park Caravan Park Clean Up	\$ -	\$ 7,626.80
Insurance Monies	\$ 500,000.00	\$ -
<b>Total</b>	<b>\$ 2,500,000.00</b>	<b>\$ 2,825,922.36</b>

## 5. BUSINESS UNITS

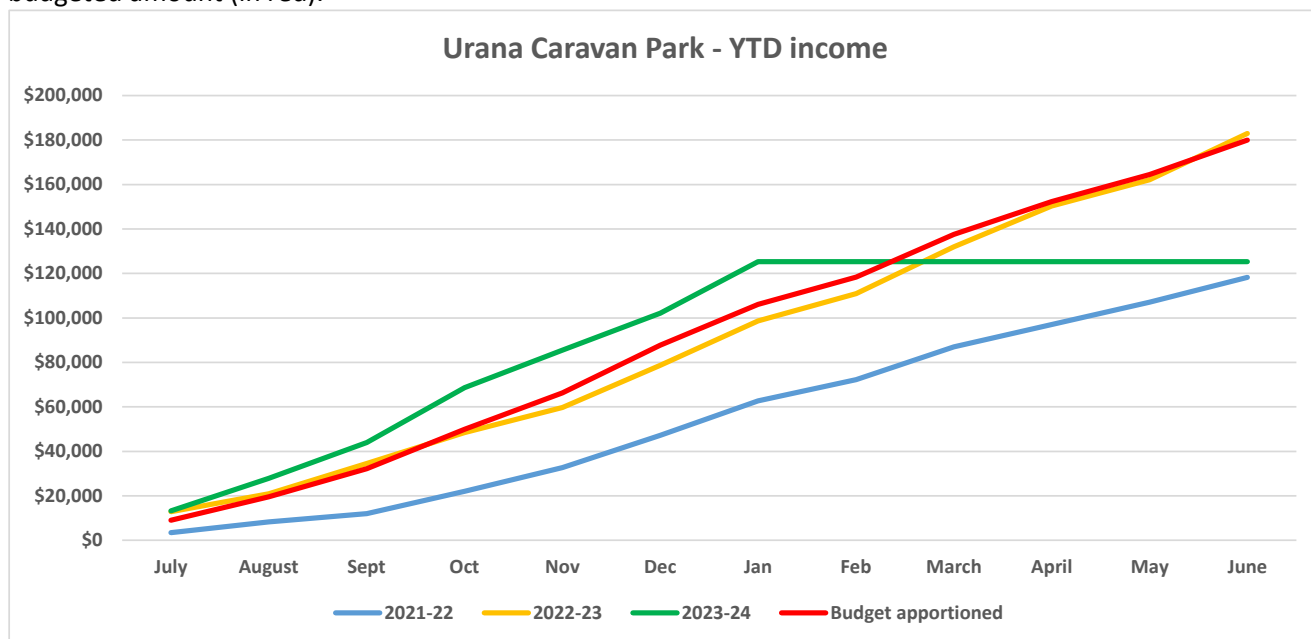
Council has four business units (Urana Caravan Park, Ball Park Caravan Park, Corowa Saleyards & Corowa Aquatic Centre) that need to be watched closely as changes in income can affect Council’s overall position.

### A. Urana Caravan Park

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

	Actual YTD January 2024	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	125	180	69%
<b>Total Income</b>	<b>125</b>	<b>180</b>	<b>69%</b>
<b>Expenses</b>			
Materials & Contracts	104	180	58%
<b>Total Expenses</b>	<b>104</b>	<b>180</b>	<b>58%</b>
<b>Net Operating Result (Consolidated)</b>	<b>21</b>	<b>-</b>	

At the 31<sup>st</sup> January 2024, year-to-date income (in the graph below in green) is well above the projected budgeted amount (in red).



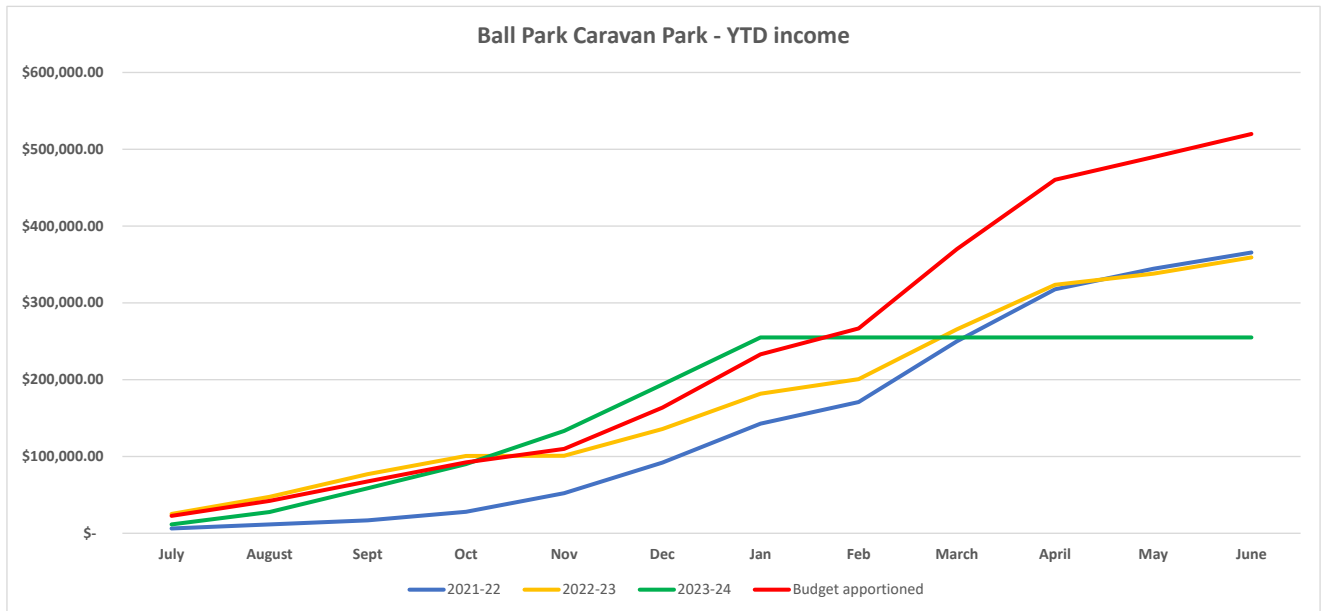
Expenditure is being incurred in line with the revenue being received and appears as expected at this stage.

**B. Ball Park Caravan Park**

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

	<b>Actual YTD January 2024</b>	<b>Annual Budget 2023/24</b>	<b>Annual Budget</b>
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	254	520	49%
<b>Total Income</b>	<b>254</b>	<b>520</b>	<b>49%</b>
<b>Expenses</b>			
Materials & Contracts	285	520	55%
<b>Total Expenses</b>	<b>285</b>	<b>520</b>	<b>55%</b>
<b>Net Operating Result (Consolidated)</b>	<b>- 31</b>	<b>-</b>	

At the 31st January 2024, year-to-date income (in the graph below in green) is above the projected budgeted amount (in red).



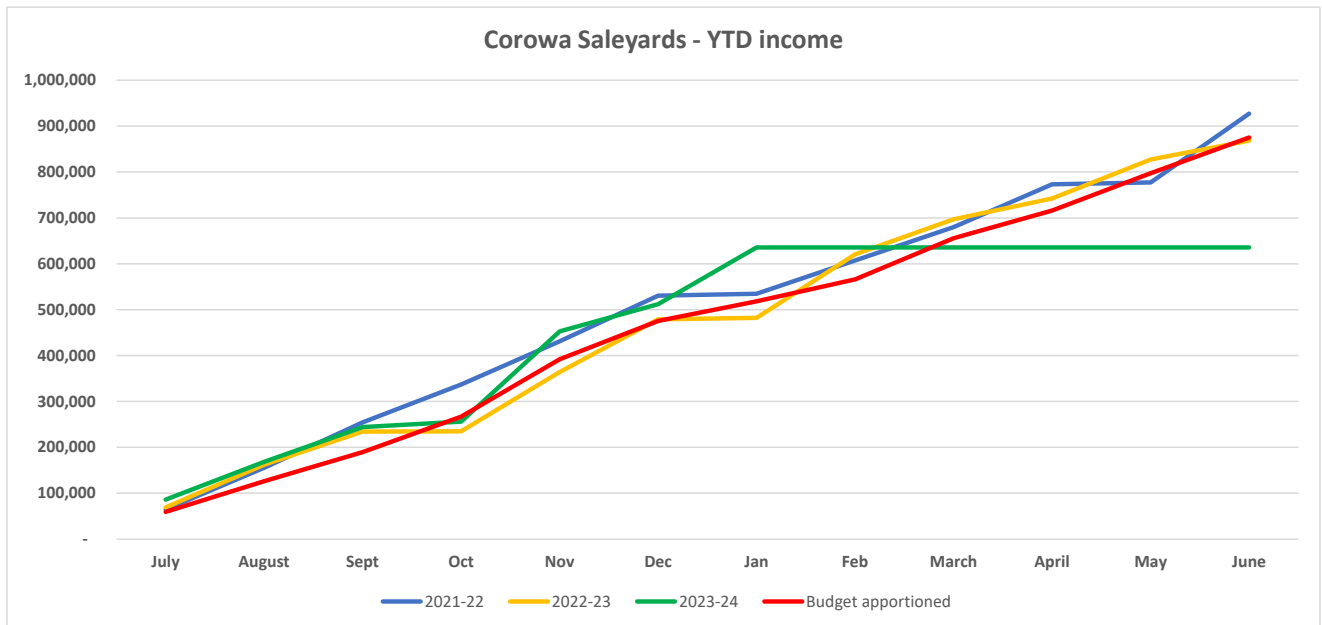
Expenditure for Ball Park Caravan Park includes significant fixed costs that are spread evenly through the financial year. The reported expenditure is as expected at this stage of the financial year.

### C. Corowa Saleyards

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

	Actual YTD January 2024	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	636	875	73%
<b>Total Income</b>	<b>636</b>	<b>875</b>	<b>73%</b>
<b>Expenses</b>			
Employee Costs	177	349	51%
Materials & Contracts	146	209	70%
<b>Total Expenses</b>	<b>323</b>	<b>558</b>	<b>58%</b>
<b>Net Operating Result (Consolidated)</b>	<b>313</b>	<b>317</b>	<b>99%</b>

At the 31<sup>st</sup> January 2024, 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 January 2024	Annual Budget 2023/24	Annual Budget
	(\$000's)	(\$000's)	%
<b>Income</b>			
User Charges and Fees	222	450	49%
<b>Total Income</b>	<b>222</b>	<b>450</b>	<b>49%</b>
<b>Expenses</b>			
Employee Costs	388	770	50%
Materials & Contracts	192	567	34%
<b>Total Expenses</b>	<b>580</b>	<b>1,337</b>	<b>43%</b>
<b>Net Operating Result (Consolidated)</b>	<b>(358)</b>	<b>(887)</b>	<b>40%</b>

At the 31st January 2024, year-to-date income (in the graph below in green) is just below the projected budgeted amount in red.

