

**Strathbogie Shire Council**

# **Mid-year Budget Review: Financial Statements**

**2023 - 2024**



*Strathbogie*  
SHIRE COUNCIL

**Strathbogie Shire Council**  
**Mid-year budget review – 2023/24**  
**Comprehensive Income Statement**

	Period ended 31 December 2023			Budget 2023/24			
	Actual YTD \$ Dec 2023	Budget YTD \$ Dec 2023	Variance YTD \$ Dec 2023	Adopted Budget \$	Mid Year Review \$	Variance \$	Notes
<b>Income</b>							
Rates and charges	22,233,303	22,075,665	157,638	22,142,765	22,203,555	60,790	1
Statutory fees and fines	317,511	324,646	(7,135)	678,900	669,900	(9,000)	
User fees	439,177	418,452	20,725	686,200	690,200	4,000	
Grants - operating	2,250,293	651,302	1,598,991	7,636,272	10,557,946	2,921,674	2
Grants - capital	2,613,451	1,219,784	1,393,667	5,542,718	8,143,761	2,601,043	3
Contributions - monetary	66,460	63,952	2,508	127,900	73,950	(53,950)	4
Contributions - non monetary	-	-	-	250,000	250,000	-	
Net gain (or loss) on disposal of PPE & infrastructure	2,689	25,002	(22,313)	50,000	50,000	-	
Other income	467,741	394,326	73,415	885,250	999,750	114,500	5
<b>Total income</b>	<b>28,390,624</b>	<b>25,173,129</b>	<b>3,217,495</b>	<b>38,000,005</b>	<b>43,639,062</b>	<b>5,639,057</b>	
<b>Expenses</b>							
Employee costs	(6,413,002)	(6,454,097)	41,095	(13,363,024)	(13,804,488)	(441,464)	6
Materials and services	(7,958,438)	(7,323,066)	(635,372)	(14,118,263)	(18,297,954)	(4,179,691)	7
Depreciation	(3,268,376)	(3,084,672)	(183,704)	(6,169,363)	(6,162,163)	7,200	
Amortisation - right of use assets	-	(91,002)	91,002	(182,000)	(182,000)	-	
Bad and doubtful debts	-	(252)	252	(1,000)	(500)	500	
Borrowing costs	(87,369)	(87,498)	129	(175,000)	(175,275)	(275)	
Finance costs - leases	-	(6,498)	6,498	(13,000)	(13,000)	-	
Other expenses	(265,810)	(304,292)	38,482	(402,569)	(443,117)	(40,548)	8
<b>Total expenses</b>	<b>(17,992,995)</b>	<b>(17,351,377)</b>	<b>(641,618)</b>	<b>(34,424,219)</b>	<b>(39,078,497)</b>	<b>(4,654,278)</b>	
<b>Surplus/(deficit) for the period</b>	<b>10,397,630</b>	<b>7,821,752</b>	<b>2,575,878</b>	<b>3,575,786</b>	<b>4,560,565</b>	<b>984,779</b>	

**Mid-year budget - Financial Performance Overview**

**Income**

**Note 1** - Increase in rates and charges income is due to supplementary rate notices issued.

**Note 2** - Increase in operating grant revenue is mainly due to carry forward of unspent grant in 2022/23; Flood Support grants \$1,027,000, Nagambie Growth Plan grant \$181,688 and Euroa Rail Precinct Master Plan grant \$80,000. Additional grants from Natural Disaster Financial Assistance (NDFA) \$1,447,136 and Victorian Health Promotion grant \$100,000 were also identified during the mid-year budget review.

**Note 3** - Increase in capital grants is due to increased Local Roads and Community Infrastructure Program (LRCIP) grant \$2,062,542, Nagambie Locksley Road Bridge grant \$600,000, betterment grants \$343,000 and drainage strategy grant \$150,000 and carry forward of unspent grants from 2022/23; Balmattum Hill Mountain Bike Trail Planning \$241,600 and Nagambie Recreation Reserve grant \$104,901. This partly offset by decrease in Habel Road grant \$900,000.

**Note 4** - Decrease in monetary contribution is due to reduced contribution income from Goulburn Murray Water on behalf of Nagambie Leisure Park which was out of operation due to October 2022 flood damages.

**Note 5** - Increase in other income is mainly due to increased rent income from caravan park \$41,400 and interest income on overdue rates \$25,000.

**Expense**

**Note 6** - Increase in salary expense is mainly due to reclassification of Fringe Benefit Tax budget from Materials & Services to Employee expenses \$190,000, Senior Engineering and Projects Advisor temporary position \$100,000, back pay for 4 transfer stations operators \$47,446, salary increments \$40,000 and costs of redundancies paid to the school crossing supervisors when the program was ceased \$30,586.

**Note 7** - Increase in materials and services mainly include;

- Increased cost due to natural disaster related (flood and storm damage) repair and maintenance work that are not covered by grant funding \$740,000.
- Unspent grant funded projects carry forward from 2022/23; flood recovery work \$1,040,000, Nagambie Growth Plan \$361,688, Victorian Health promotion expenses \$208,442, regional tourism project \$104,628 and other projects \$376,108.
- Other unspent expenses carry forward to 2023/24 - 4-year street tree planting and maintenance project \$155,123.
- Additional Natural Disaster Financial Assistance (NDFA) claimable expense identified \$560,783 for October 2022 flood event and estimated cost for December 2023/January 2024 flood/storm event recovery work \$750,000.
- Increased application software expenses \$111,393.
- Increased cost on Euroa caravan park maintenance which is funded by lease income \$88,404.

**Note 8** - Increase in other expenses is mainly due to municipal monitor/administrator expense \$101,000 and increase electoral structure review and vote countback expenses \$65,000. This partly offset by decreased councillor allowance expenses \$129,609.

**Strathbogie Shire Council**  
**Mid-year budget review – 2023/24**  
**Balance Sheet**

	Period ended 31 December 2023			Budget 2023/24		
	Actual YTD \$ Dec 2023	Budget YTD \$ Dec 2023	Variance YTD \$ Dec 2023	Adopted Budget \$	Mid Year Review \$	Variance \$
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	1,386,926	1,228,927	157,999	5,819,718	5,268,486	(551,232)
Trade and other receivables	15,740,774	13,760,543	1,980,231	3,389,543	3,841,779	452,236
Other financial assets	17,000,000	9,000,000	8,000,000	3,000,000	5,000,000	2,000,000
Inventories	27,891	16,000	11,891	16,177	14,762	(1,415)
Non-current assets classified as held for sale	219,780	-	219,780	-	-	-
Other assets	566,545	399,582	166,963	399,582	1,099,271	699,689
<b>Total current assets</b>	<b>34,941,915</b>	<b>24,405,052</b>	<b>10,536,863</b>	<b>12,625,020</b>	<b>15,224,298</b>	<b>2,599,278</b>
<b>Non-current assets</b>						
Trade and other receivables	-	-	-	21,903	17,936	(3,967)
Other financial assets	2,032	-	2,032	2,032	2,032	-
Investments in associates, joint arrangements and subsidiaries	258,723	284,609	(25,886)	260,774	258,723	(2,051)
Property, infrastructure, plant and equipment	360,378,703	338,793,767	21,584,936	346,326,310	374,408,943	28,082,633
Right-of-use assets	586,695	91,570	495,125	91,670	275,205	183,535
Investment property	-	-	-	-	-	-
Intangible assets	-	-	-	187,184	194,276	7,092
<b>Total non-current assets</b>	<b>361,226,153</b>	<b>339,169,946</b>	<b>22,056,207</b>	<b>346,889,873</b>	<b>375,157,115</b>	<b>28,267,242</b>
<b>Total assets</b>	<b>396,168,068</b>	<b>363,574,998</b>	<b>32,593,070</b>	<b>359,514,893</b>	<b>390,381,412</b>	<b>30,866,519</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	570,364	1,325,000	(754,636)	2,919,509	3,674,842	755,333
Trust funds and deposits	2,226,093	2,180,000	46,093	634,913	924,557	289,644
Unearned income	-	84,000	(84,000)	84,000	-	(84,000)
Provisions	4,179,961	3,189,256	990,705	3,189,256	3,053,142	(136,114)
Interest-bearing liabilities	134,790	86,700	48,090	170,308	170,308	-
Lease liabilities	-	-	-	106,000	106,000	-
<b>Total current liabilities</b>	<b>7,111,207</b>	<b>6,864,956</b>	<b>246,251</b>	<b>7,103,986</b>	<b>7,928,849</b>	<b>824,863</b>
<b>Non-current liabilities</b>						
Trust funds and deposits	34,791	-	34,791	52,731	34,791	(17,940)
Provisions	1,713,752	1,215,917	497,835	1,215,617	1,713,752	498,135
Interest-bearing liabilities	3,339,659	3,206,462	133,197	3,206,162	3,169,377	(36,785)
Lease liabilities	609,948	119,000	490,948	13,000	13,000	-
<b>Total non-current liabilities</b>	<b>5,698,150</b>	<b>4,541,379</b>	<b>1,156,771</b>	<b>4,487,510</b>	<b>4,930,920</b>	<b>443,410</b>
<b>Total liabilities</b>	<b>12,809,357</b>	<b>11,406,335</b>	<b>1,403,022</b>	<b>11,591,496</b>	<b>12,859,769</b>	<b>1,268,273</b>
<b>Net assets</b>	<b>383,358,711</b>	<b>352,168,663</b>	<b>31,190,048</b>	<b>347,923,397</b>	<b>377,521,643</b>	<b>29,598,246</b>
<b>Equity</b>						
Accumulated surplus	129,394,497	125,650,126	3,744,371	121,404,860	123,557,429	2,152,569
Reserves	253,964,214	226,518,537	27,445,677	226,518,537	253,964,214	27,445,677
<b>Total Equity</b>	<b>383,358,711</b>	<b>352,168,663</b>	<b>31,190,048</b>	<b>347,923,397</b>	<b>377,521,643</b>	<b>29,598,246</b>

**Strathbogie Shire Council**  
**Mid-year budget review – 2023/24**  
**Statement of Cash Flows**

	Period ended 31 December 2023			Budget 2023/24		
	Actual YTD \$ Dec 2023	Budget YTD \$ Dec 2023	Variance YTD \$ Dec 2023	Adopted Budget \$	Mid Year Review \$	Variance \$
<b>Cash flows from operating activities</b>						
Rates and charges	11,349,791	10,633,017	716,774	21,266,033	22,261,042	995,009
Statutory fees and fines	317,511	339,450	(21,939)	678,900	669,900	(9,000)
User fees	408,032	343,100	64,932	686,200	690,200	4,000
Grants - operating	868,303	651,302	217,001	7,636,272	9,049,297	1,413,025
Grants - capital	1,797,902	1,219,784	578,118	5,542,718	7,049,348	1,506,630
Contributions - monetary	66,460	63,950	2,510	127,900	73,950	(53,950)
Interest received	352,087	200,000	152,087	400,000	400,000	-
Other receipts	268,553	242,625	25,928	485,250	599,750	114,500
Net GST refund/payment	692,478	828,668	(136,190)	1,657,335	2,499,973	842,638
Employee costs	(6,413,002)	(6,646,512)	233,510	(13,293,024)	(13,804,488)	(511,464)
Materials and services	(12,559,394)	(7,023,390)	(5,536,004)	(14,335,840)	(20,852,446)	(6,516,606)
Trust funds and deposits collected/(paid)	140,758	-	140,758	-	-	-
Other payments	(265,810)	(201,535)	(64,275)	(403,069)	(443,617)	(40,548)
<b>Net cash provided by/(used in) operating activities</b>	<b>(2,976,331)</b>	<b>650,459</b>	<b>(3,626,790)</b>	<b>10,448,675</b>	<b>8,192,909</b>	<b>(2,255,766)</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment	(3,582,355)	(9,064,827)	5,482,472	(18,129,653)	(22,677,276)	(4,547,623)
Proceeds from sale of property, infrastructure, plant & equi	22,089	120,000	(97,911)	240,000	240,000	-
Payments for investments - Other Financial Assets *	4,550,000	4,000,000	550,000	8,000,000	16,550,000	8,550,000
<b>Net cash provided by/(used in) investing activities</b>	<b>989,734</b>	<b>(4,944,827)</b>	<b>5,934,561</b>	<b>(9,889,653)</b>	<b>(5,887,276)</b>	<b>4,002,377</b>
<b>Cash flows from financing activities</b>						
Finance costs	(43,684)	(87,500)	43,816	(175,000)	(175,275)	(275)
Repayment of borrowings	(120,813)	(81,099)	(39,714)	(162,198)	(255,577)	(93,379)
Interest paid - lease liability	(6,500)	(6,500)	-	(13,000)	(13,000)	-
Repayment of lease liabilities	(37,184)	(87,500)	50,316	(175,000)	(175,000)	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(208,182)</b>	<b>(262,599)</b>	<b>54,417</b>	<b>(525,198)</b>	<b>(618,852)</b>	<b>(93,654)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,194,779)</b>	<b>(4,556,967)</b>	<b>2,362,188</b>	<b>33,824</b>	<b>1,686,781</b>	<b>1,652,957</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,581,705</b>	<b>5,785,894</b>	<b>(2,204,189)</b>	<b>5,785,894</b>	<b>3,581,705</b>	<b>(2,204,189)</b>
<b>Cash and cash equivalents at the end of the period*</b>	<b>1,386,926</b>	<b>1,228,927</b>	<b>157,999</b>	<b>5,819,718</b>	<b>5,268,486</b>	<b>(551,232)</b>

\*Note: Cash and cash equivalents - YTD actual excludes term deposits with original maturity over 90 days. Council held total of \$17.0m in term deposits as at 31 December 2023.



**Strathbogie Shire Council**  
**Mid-year budget review – 2023/24**  
**Statement of Capital Works**

	Period ended 31 December 2023			Budget 2023/24		
	Actual YTD \$ Dec 2023	Budget YTD \$ Dec 2023	Variance YTD \$ Dec 2023	Adopted Budget \$	Mid Year Review \$	Variance \$
<b>Property</b>						
Buildings	1,208,561	682,500	526,061	975,365	1,369,555	394,190
<b>Total property</b>	<b>1,208,561</b>	<b>682,500</b>	<b>526,061</b>	<b>975,365</b>	<b>1,369,555</b>	<b>394,190</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment	249,216	562,362	(313,146)	1,124,725	1,416,728	292,003
Computers and telecommunications	29,291	250,000	(220,709)	690,450	487,000	(203,450)
<b>Total plant and equipment</b>	<b>278,507</b>	<b>812,362</b>	<b>(533,855)</b>	<b>1,815,175</b>	<b>1,903,728</b>	<b>88,553</b>
<b>Infrastructure</b>						
Roads	341,132	4,675,719	(4,334,587)	8,315,325	6,643,205	(1,672,121)
Bridges	117,894	328,500	(210,606)	1,766,544	3,280,050	1,513,506
Footpaths and cycleways	177,936	193,100	(15,164)	464,733	703,779	239,046
Drainage	1,068	379,500	(378,432)	855,000	1,074,562	219,562
Recreational, leisure and community facilities	428,561	713,384	(284,823)	1,429,077	2,630,194	1,201,117
Waste management	612,316	300,000	312,316	412,500	1,299,688	887,188
Parks, open space and streetscapes	416,380	676,711	(260,331)	447,784	1,710,945	1,263,161
<b>Total infrastructure</b>	<b>2,095,287</b>	<b>7,266,914</b>	<b>(5,171,627)</b>	<b>13,690,963</b>	<b>17,342,423</b>	<b>3,651,460</b>
<b>Total capital works expenditure</b>	<b>3,582,355</b>	<b>8,761,776</b>	<b>(5,179,421)</b>	<b>16,481,503</b>	<b>20,615,706</b>	<b>4,134,203</b>
<b>Represented by:</b>						
New asset expenditure		442,500	(442,500)	1,712,335	953,647	(758,688)
Asset renewal expenditure		6,559,992	(6,559,992)	8,007,820	13,142,913	5,135,093
Asset expansion expenditure		50,000	(50,000)	6,177,735	1,437,130	(4,740,605)
Asset upgrade expenditure		1,709,284	(1,709,284)	583,613	5,082,016	4,498,403
<b>Total capital works expenditure</b>		<b>8,761,776</b>	<b>(8,761,776)</b>	<b>16,481,503</b>	<b>20,615,706</b>	<b>4,134,203</b>
<b>Funding sources represented by:</b>						
Grants				5,542,718	8,143,761	2,601,043
Contributions				240,000	240,000	-
Council cash				10,698,785	12,231,945	1,533,160
Borrowings				-	-	-
<b>Total capital works expenditure</b>				<b>16,481,503</b>	<b>20,615,706</b>	<b>4,134,203</b>

In accordance with Section 97(3) of the Local Government Act 2020, it is the view of the Chief Executive Officer that a revised budget for 2023/24 will not be required by Strathbogie Shire Council.

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Julie Salomon - Chief Executive Officer