

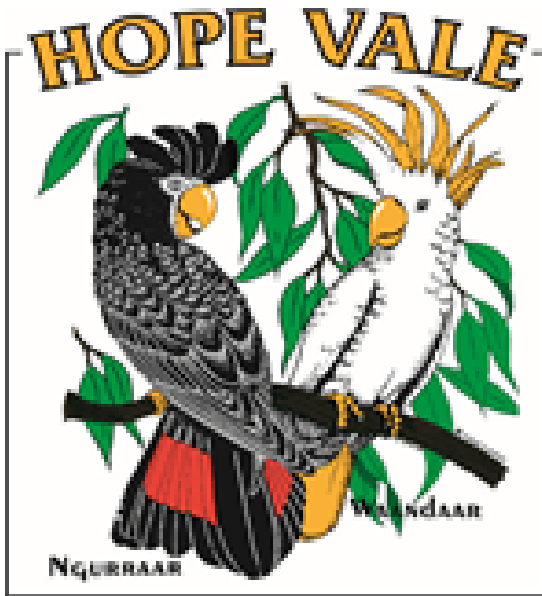
HOPE VALE ABORIGINAL
SHIRE COUNCIL

COUNCIL FINANCE REPORT



14 JUNE 2021

PREPARED BY
Shannon Gibbs



Where we are right now

COUNCIL HIGHLIGHTS



To meet Council's legislative requirements under section 204 of the LGR 2012, the finance report must be prepared each month and be presented to Council on its financial performance for that period.

The operating surplus as at 14 June 2021 demonstrates another favourable result. As with previous months, the Contract and Recoverable Works are operating in surplus and all leasing invoices have been processed, resulting in revenue recognition.

Depreciation for the June 2021 report date has been fully expensed in the Income Statement.

Recurrent expenses have remained steady in June 2021 and are comparable to what was budgeted and this is reflected when comparing the operating surplus ratio's between May 2021 and June 2021. It should be noted the the calculations for the 40 Year Leases and leave provisions are not reflected in this months result as the rates are not available to calculate the amounts until 30 June 2021. Council have been made aware that the second allocation of new housing has been approved for \$3.66 million and our proposals are awaiting approval and housing have indicated that Council should receive approval in July 2021. It is expected these works will commence in the beginning on 2022.

The Balance Sheet cash position remains steady and comparable to last month although slightly higher. Indexations of 2% have been applied to Infrastructure Assets and is reflected in the PP&E, however the Comprehensive Revaluation of Building Assets is yet to be finalised, hence not reflected in the Balance Sheet. A review indicates a further increase will be applicable to the PP&E once this is uploaded, thus increasing Community Equity. Total Community Equity between July 2020 through to June 2021 has increased by \$3.30 Million.

Council's report indicates that it has achieved two out of the three target measures in June 2021 for all measureable Sustainability Ratios. The operating surplus ratio, will change once the final papers can be completed at 30 June, so this should be regarded as an estimate only.

The debtors balance as at 14 June 2021 is \$937k which is an increase of \$295k since last month. This increase relates to one debtor where the invoices have just been processed.



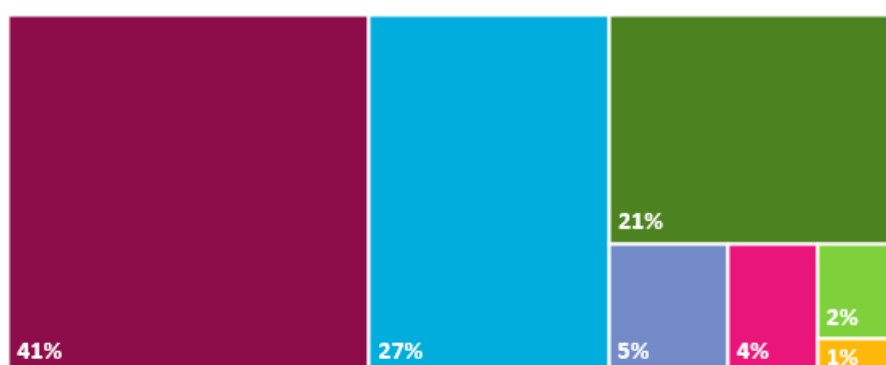
Our Statistics

STATEMENT OF INCOME AND EXPENDITURE

CURRENT INCOME

INCOME

- Fees and Charges
- Interest
- Other/Sundry Income
- Capital Grants
- Rental Income
- Contract Works
- Capital Income
- Recurrent Grants



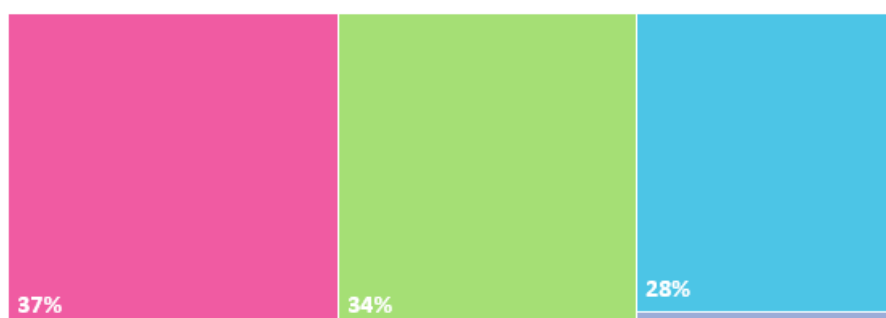
Year to date total income currently sits at \$16.00M which is an increase of \$2.06M since May 2021. Contract works and recurrent grants continue to be the major source of income for Council year to date making up 42% (excludes SGFA and FAG grants) of the total income. It is anticipated that the contract works will steadily increase in June with the continued invoicing of upgrade and responsive maintenance works.

The COVID pandemic has had a substantial effect on orders being received from HPW which is demonstrated in the result. Contractual leases are finalised and those that were to expire 30 June have mostly been renewed. Capital grants revenue reflects 20% of overall income. Council is awaiting payment of \$957k from capital grant funded projects that Council is funding from own source revenue until payment is made. This is a increase of \$523k since last month. Reports have been submitted on these projects, and payment is expected within the month, with the exception of some of the grants that release the final 10% once they funding body has received the audited financial statements which will be in July 2021.

CURRENT EXPENDITURE

EXPENSES

- Employee Benefits
- Materials and Services
- Finance Costs
- Depreciation and Amortisation
- Capital Expenses



Materials and services together with employee benefits comprise of 70% of Council's expenditure of \$13.47M. This percentage is the slightly lower compared to last to last month. In addition to these expenses, depreciation expense represents \$3.74M and capital expenses of \$204k are included in total expenditure. It is expected that the current category percentages will remain similar for the end of financial year results. Finance costs remain low due to the administrative costs charged by the QTC where the majority of Council's excess cash reserves are held.



Our Statistics

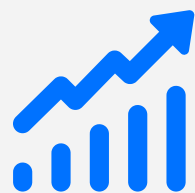
THE BIG NUMBERS

**BUILDING
DEPARTMENT
POSITIVE
CASHFLOW**



DO AND CHARGE
UPGRADES
PLUG-INS
LINEN UPGRADES
CARPORTS
O.T. MODS
C.O.L.A

**YTD
COMMUNITY
EQUITY
INCREASE**



NET RESULT

\$2.53M

DEBTORS BALANCE

\$937,348

QUARANTINED GRANT FUNDS

\$56,861

GRANT FUNDING RECIEVED

\$8,949,980

STATE GOVERNMENT

\$868,910

FEDERAL GOVERNMENT

GST PAYABLE ESTIAMTED

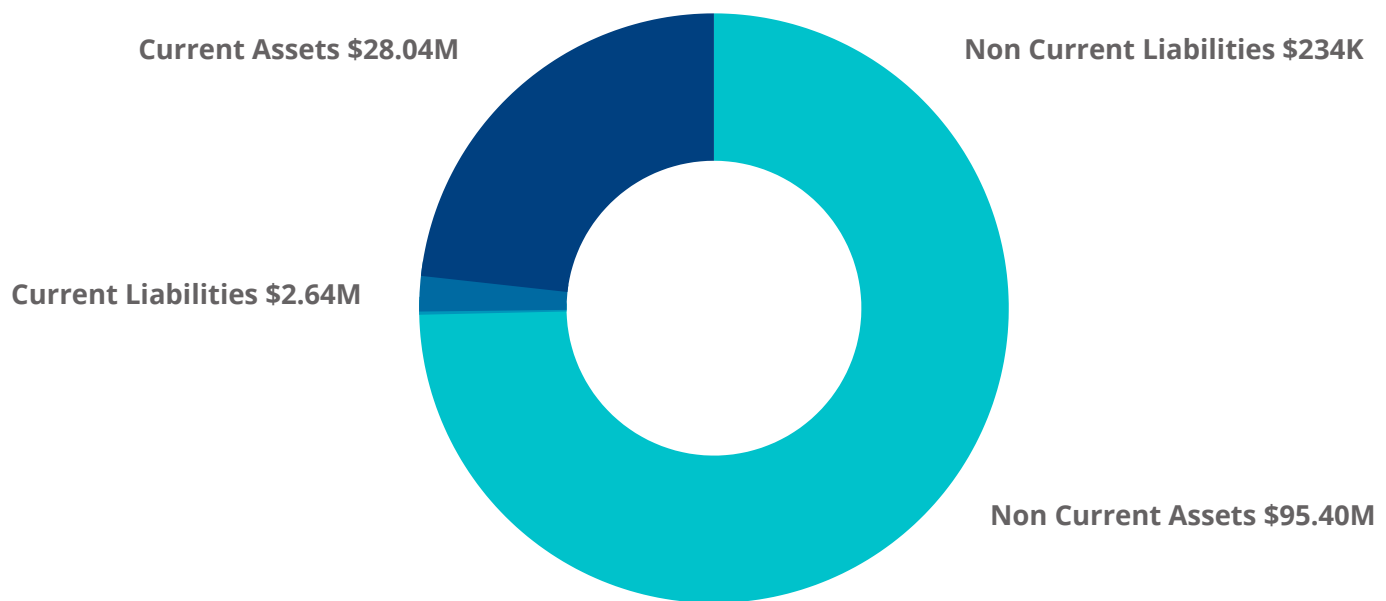
\$36,832

JUNE 2021



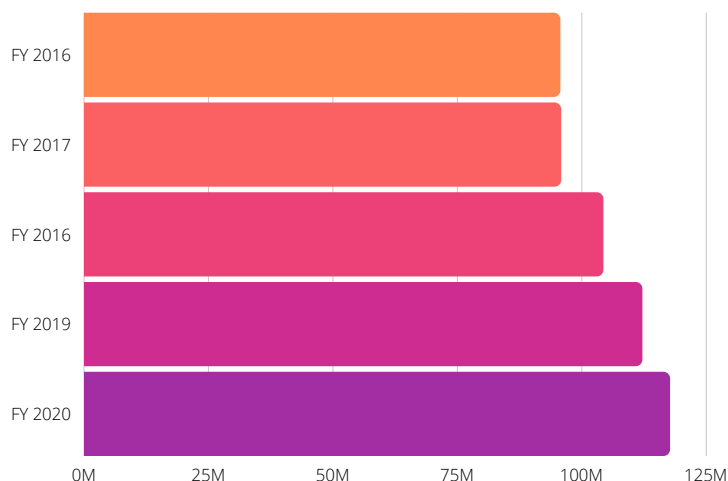
Our Statistics

STATEMENT OF FINANCIAL POSITION



CURRENT EQUITY

Council is currently managing in excess of \$120,565,981M of net community assets on behalf of all residents. Total Community Equity has had an increase in growth of \$3.30M since July 2020 and is projected to continue to increase rapidly until end of the financial year once the comprehensive revaluation of the buildings has been processed which will reflect an increase in the Equity. This will also be driven by the finalisation and capitalisation of some projects still in work in progress that will be completed by 30 June 2021. Council's capital works program which is funded through own source revenue and capital grants.



A 5 Year snapshot of Net Community Assets

Net community assets have increased by \$25.16M since 2016.



Financial

SUSTAINABILITY RATIOS

The Financial Sustainability of Councils continues to be the cornerstone of the Local Government Act and a core responsibility of Hope Vale Aboriginal Shire Council

1. Operating Surplus Ratio - Net Result divided by Total Operating Revenue

2. Asset Sustainability Ratio - Capital Expenditure on Asset Renewals divided by Depreciation Expense.

3. Net Financial Liabilities Ratio - Total Liabilities less Current assets divided by Total Operating Revenue



TARGET MEASURES

Target Ranges as determined by the Department of Local Government, Racing and Multi Cultural Affairs are:

- Operating Surplus Ratio - Between 0 - 10%
- Asset Sustainability Ratio - > 90%
- Net Financial Sustainability Ratio - < 60%

OUR JANUARY 2021 STATISTICS



1. Operating Surplus Ratio - -4.4%

*To be updated prior to 30 June 2021

2. Asset Sustainability Ratio - 96%

3. Net Financial Liabilities Ratio -198%



Capital Projects By **ASSET CATEGORY** AND VALUE COMPLETED



ROADS INFRASTRUCTURE

LRCI Bulls Crossing Bridge	\$65,315
LGGSP Banana Farm Road Seal	\$500,615
- Council Co-contribution	\$217,719
R2R Thuppi St Kerb & Channel	\$63,728
W4Q C19 Reuther St Drainage	\$126,008
NDRRA 2019	\$201,951



INFRASTRUCTURE OTHER

CDSS LED Digital Signage	\$122,500
TIDS Street Lighting	\$261,476
Radio Tower	\$25,164
FFG2 Data/Drones Capture	\$11,958
FFG2 Communications Suite	\$75,772
ICCIP 2018 Landfill	\$1,259,523



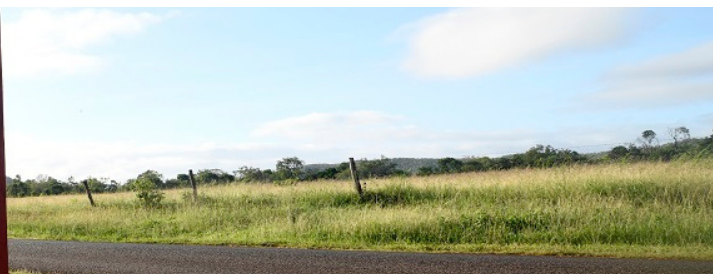
COMMUNITY BUILDINGS

W4Q 19-21 Supermarket Upgrade	\$140,290
BOR4 Kindy Outside & Vacation Care	\$612,825
- Council Co-contribution	\$55,000
SES Shed Refurbishment	\$50,000
W4Q C19 Parks & Gardens Compound	\$46,000



WATER & SEWERAGE INFRASTRUCTURE

ICCIP Water Switchboard	\$104,891
ICCIP Water Generators	\$258,154





Capital Projects By

ASSET CATEGORY

AND VALUE WORKS IN PROGRESS



ROADS INFRASTRUCTURE

QRA Elim Beach Road Resilience Seal	\$500,000
QDRF Elim Beach Betterment Seal	\$1,409,535
HVSPP Heavy Vehicle Bypass St.2	\$500,000
- Council Co-contribution	\$50,000
W4Q 21-24 Mclvor Road Bitumen Seal	\$650,000



INFRASTRUCTURE OTHER

W4Q 19-21 Streetscaping Stage 2	\$767,500
W4Q C19 Cemetery Shelter	\$166,000
QRA Auxiliary Power Supply	\$294,768
BOR5 Community & Cultural Park	\$2,000,000
- Council Co-contribution	\$1,000,000
W4Q C19 Streetscaping Stage 3	\$99,900
W4Q 21-24 Sports Field Upgrade	\$150,000



COMMUNITY BUILDINGS

W4Q C19 Aged Care Upgrade	\$191,811
W4Q C19 Library Upgrade	\$65,450
W4Q C19 Administration Building	\$112,000
W4Q C19 Radio Station Streetscape	\$189,000
W4Q C19 Arts & Culture Centre	\$185,000
W4Q C19 Kindergarten Fence	\$59,750
W4Q 21-24 Asset Management Program	\$500,000



WATER & SEWERAGE INFRASTRUCTURE

ICCIP Water Filtration on Bores	\$330,000
ICCIP Water Reservoir Flow Meter	\$27,500
ICCIP Sewerage Leachate Pit	\$302,500

