

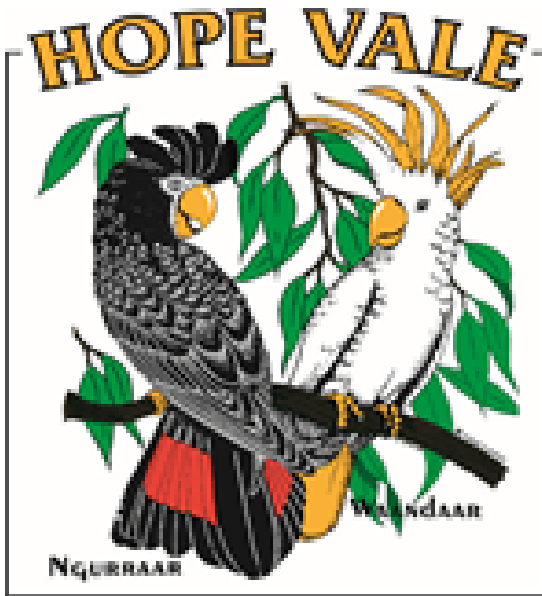
HOPE VALE ABORIGINAL
SHIRE COUNCIL

COUNCIL FINANCE REPORT



14 APRIL 2021

PREPARED BY
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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 April 2021 demonstrates another favourable result. As with previous months, the Contract and Recoverable Works are operating in surplus and the bi-yearly leasing invoices have been processed, resulting in revenue recognition.

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

Recurrent expenses have increased in April 2021 are comparable to what was budgeted and this is reflected when comparing the operating surplus ratio's between March 2021 and April 2021. It should be noted that QBuild are still not releasing orders in a timely manner due to COVID-19 concerns. This has had a significant impact on this months sustainability.

The Balance Sheet cash position remains steady and comparable to last month although slightly lower. Total Community Equity between July 2020 through to April 2021 has increased by \$2.27 Million.

Council has achieved two or the three target measures in April 2021 for all measureable Sustainability Ratios.

The debtors balance as at 14 April 2021 is \$740k which is decrease of \$53k since last month.

The QAO Interim Audit testing visit has been completed and Council will receive the Interim Report this month. Two internal audits have also been completed and these will be presented in the Audit Committee Meeting on 30 April 2021. It is also expected that the Draft Proforma Statements and the asset valuations will be finalised this month.



Our Statistics

STATEMENT OF INCOME AND EXPENDITURE

CURRENT INCOME

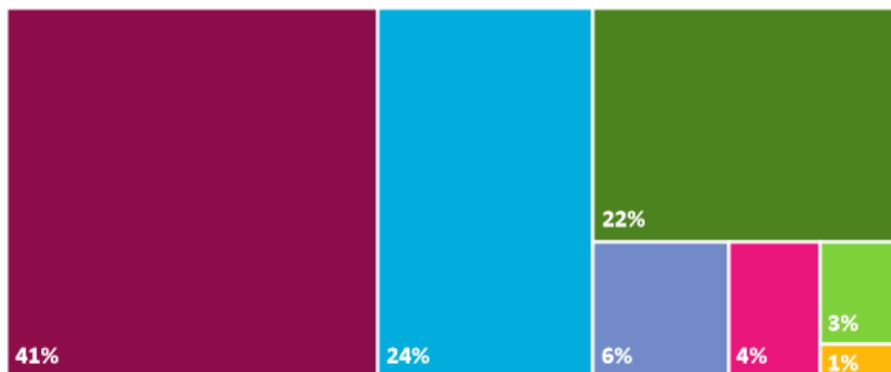
Year to date total income currently sits at \$13.45M which is an increase of \$1.07M since March 2021. Contract works and recurrent grants continue to be the major source of income for Council year to date making up 53% (excludes SGFA and FAG grants) of the total revenue. It is anticipated that the contract works will steadily increase in the next few months weather permitting. Upgrade orders from QBuild year to date only total \$672k. Pending tenders are still awaiting approval Council is waiting on approvals of approximately \$100k of variations. The COVID pandemic has had a substantial effect on orders being received from HPW which is demonstrated in the result. There remain some contractual leases to be finalised. Capital grants revenue reflects 21% of overall income. Council is awaiting payment of \$854k from capital grant funded projects that Council is funding from own source revenue until payment is made. Council's W4Q 2021-2024 allocation of \$1.3M was recently announced and our submission of projects has been submitted.

CURRENT EXPENDITURE

Materials and services together with employee benefits comprise of 72% of Council's expenditure of \$11.20M. This percentage is the equivalent to last month. In addition to these expenses, depreciation expense represents \$3.14M of 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.

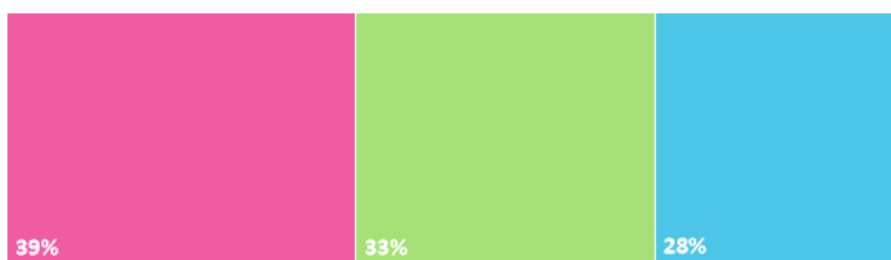
INCOME

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



EXPENSES

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





Our Statistics

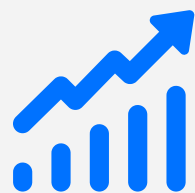
THE BIG NUMBERS

**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

\$2.24M

DEBTORS BALANCE

\$740,040

QUARANTINED GRANT FUNDS

\$1,085,623

GRANT FUNDING RECIEVED

\$7,626,421

STATE GOVERNMENT

\$868,910

FEDERAL GOVERNMENT

GST PAYABLE ESTIAMTED

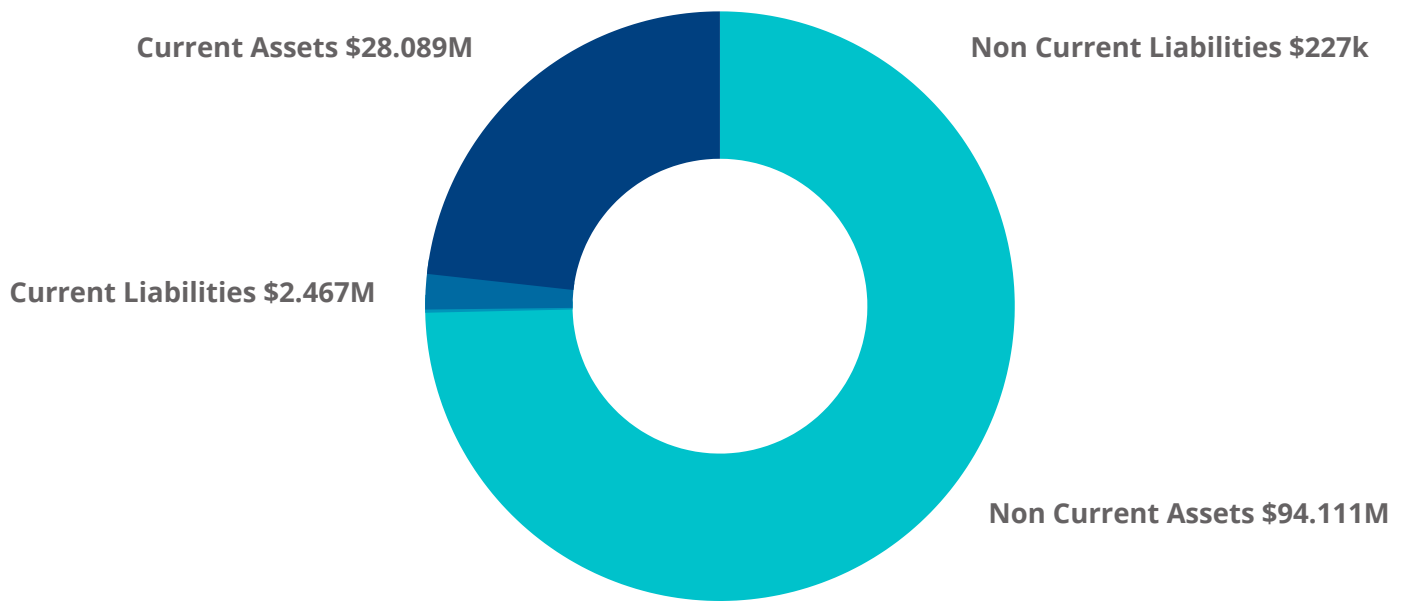
\$7,625

APRIL 2021



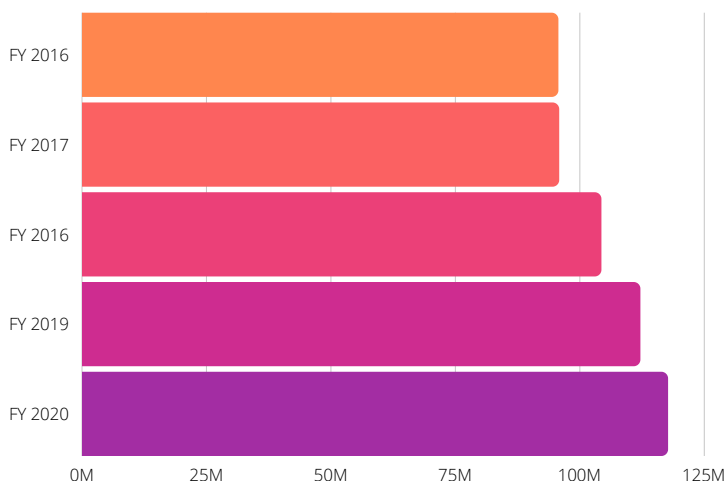
Our Statistics

STATEMENT OF FINANCIAL POSITION



CURRENT EQUITY

Council is currently managing in excess of \$119,507 of net community assets on behalf of all residents. Total Community Equity has had an increase in growth of \$2.27M since July 2020 and is projected to continue to increase rapidly until end of the financial year. This will be driven mostly by 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 \$24.10M since 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 - -6.5%

2. Asset Sustainability Ratio - 90%

3. Net Financial Liabilities Ratio -263%



Capital Projects By

ASSET CATEGORY AND VALUE



ROADS INFRASTRUCTURE

LRCI Bulls Crossing Bridge	\$63,728
LGGSP Banana Fam Road Seal	\$484,000
- Council Co-contribution	\$201,000
QRA Elim Beach Road Resilience Seal	\$500,000
W4Q C19 Drainage Upgrade	\$125,000
QDRF Elim Beach Betterment Seal	\$1,109,535
HVSPP Heavy Vehicle Bypass St.2	\$500,000
- - Council Co-contribution	\$267,103
W4Q 21-24 Mclvor Road Bitumen Seal	\$650,000
((Awaiting Submission approval))	



INFRASTRUCTURE OTHER

FFG1 LED Digital Signage	\$122,500
W4Q 19-21 Streetscaping Stage 2	\$767,500
TIDS Street Lighting	\$261,476
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
FFG2 Data/Drones Capture	\$11,928
FFG2 Communications Suite	\$75,772
GCBF HD Conferencing Suite	\$40,000
W4Q 21-24 Sports Field Upgrade	\$150,000
((Awaiting Submission approval))	



COMMUNITY BUILDINGS

W4Q 19-21 Supermarket Upgrade	\$335,500
BOR4 Kindy Outside & Vacation Care	\$612,825
- Council Co-contribution	\$55,000
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
SES Shed Refurbishment	\$50,000
W4Q C19 Parks & Gardens Compound	\$46,000
W4Q 21-24 Asset Management Program	\$500,000
-(Awaiting Submission Approval)	



WATER & SEWERAGE INFRASTRUCTURE

ICCIP Water Filtration on Bores	\$330,000
ICCIP Water Reservoir Flow Meter	\$27,500
ICCIP Sewerage Leachate Pit	\$302,500
ICCIP Solid Waste Refuse Upgrade	\$1,235,153

