

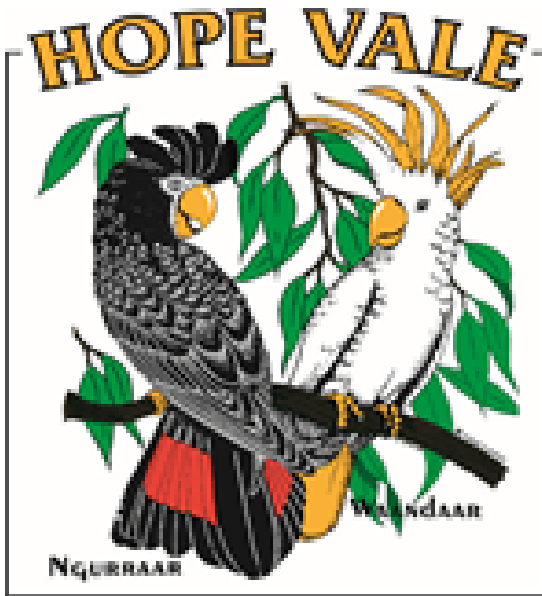
HOPE VALE ABORIGINAL  
SHIRE COUNCIL

# COUNCIL FINANCE REPORT



**10 MARCH 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 10 March 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 March 2021 report date has been fully expensed in the Income Statement.

Recurrent expenses have increased in March 2021 are comparable to what was budgeted and this is reflected when comparing the operating surplus ratio's between February 2021 and March 2021. Wet weather delays are expected for approximately another month.

The Balance Sheet cash position remains steady and comparable to last month although slightly lower. Total Community Equity between July 2020 through to March 2021 has increased by \$2.68 Million.

Council has achieved all target measures in March 2021 for all measureable Sustainability Ratios.

The debtors balance as at 10 March is \$793k which is decrease of \$114k since last month.

The QAO Interim Audit testing visit commences in the week beginning 15 March 2021 and requested documentation is presently being provided to BDO. The Interim Audit will be testing finance and governance transactions up to 28 February 2021.

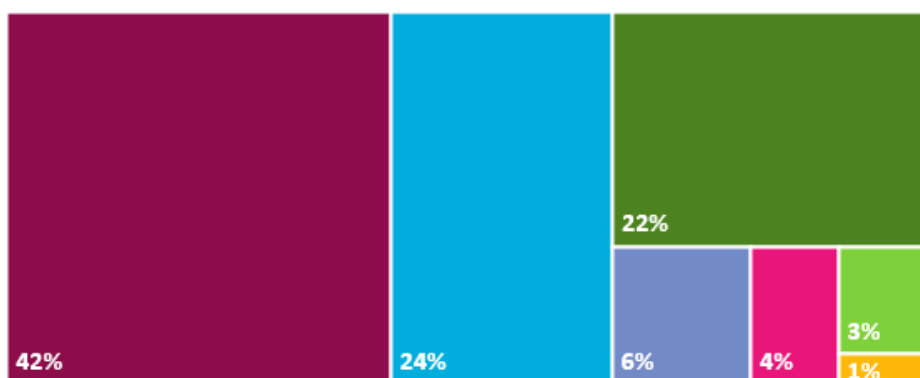


Our Statistics

# STATEMENT OF INCOME AND EXPENDITURE

## INCOME

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

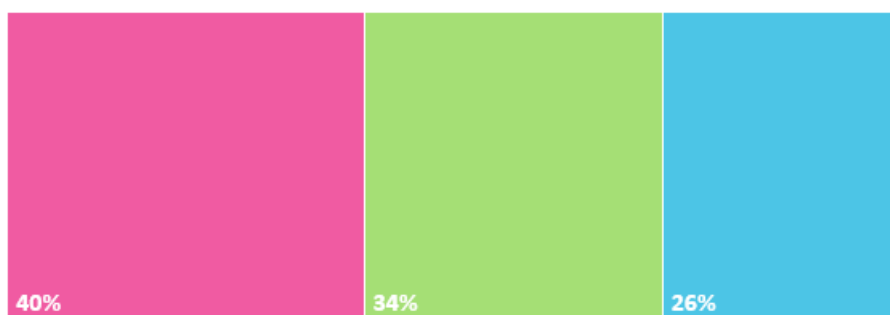


## CURRENT INCOME

Year to date total income currently sits at \$12.38M which is an increase of \$780k since February. Contract works and recurrent grants continue to be the major source of income for Council year to date making up 40% (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 awaiting approval total \$130k and we are waiting on approvals of approximately \$150k 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 \$1.09M from capital grant funded projects that Council is funding from own source revenue until payment is made.

## EXPENSES

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



## CURRENT EXPENDITURE

Materials and services together with employee benefits comprise of 73% of Council's expenditure of \$9.699M. This percentage is the equivalent to last month. In addition to these expenses, depreciation expense represents \$2.55M 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.



Our Statistics

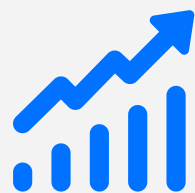
# THE BIG NUMBERS

**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**

**\$2.68M**

**DEBTORS BALANCE**

**\$793,044**

**QUARANTINED GRANT FUNDS**

**\$1,224,501**

**GRANT FUNDING RECIEVED**

**\$7,030,442**

STATE GOVERNMENT

**\$807,510**

FEDERAL GOVERNMENT

**GST PAYABLE ESTIAMTED**

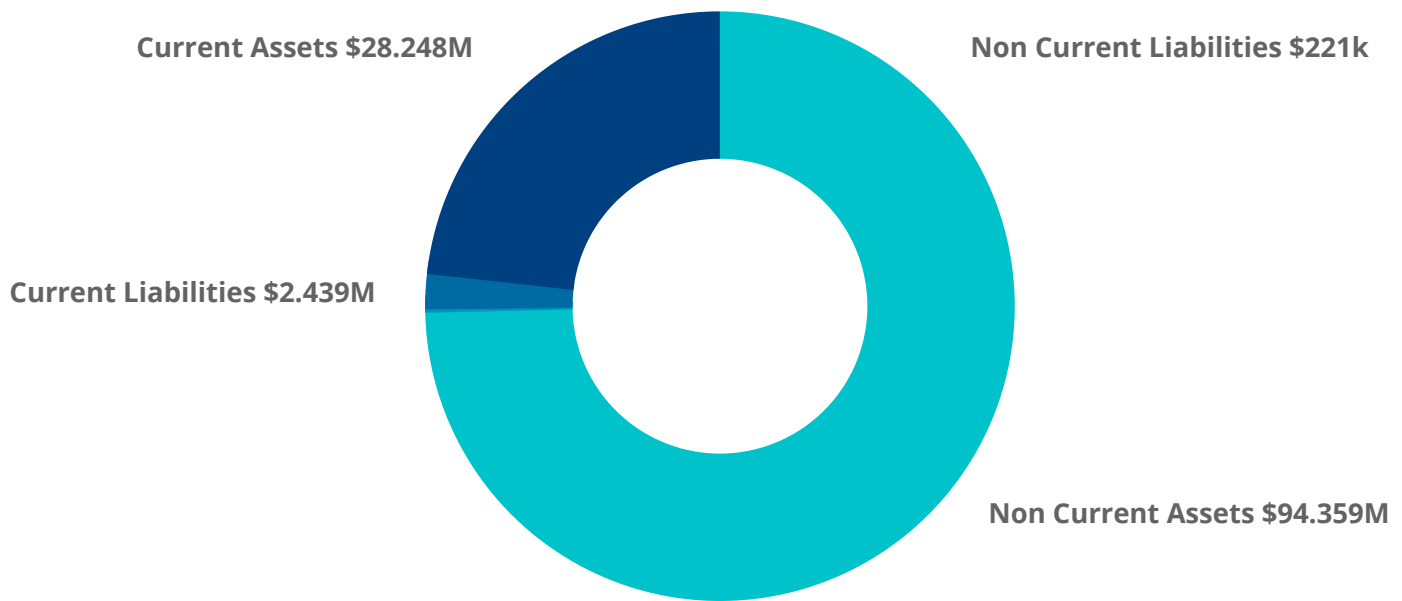
**\$10,899**

MARCH 2021



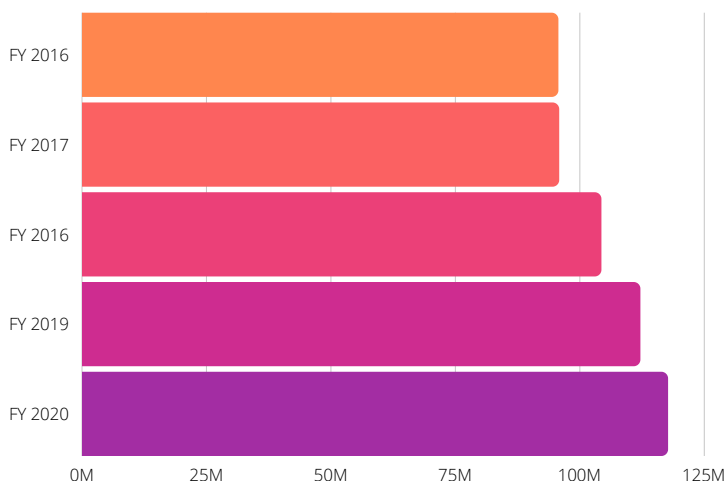
*Our Statistics*

# STATEMENT OF FINANCIAL POSITION



## CURRENT EQUITY

Council is currently managing in excess of \$119,948 of net community assets on behalf of all residents. Total Community Equity has had an increase in growth of \$2.68M 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 \$24.55M 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** - 1%

**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



### **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



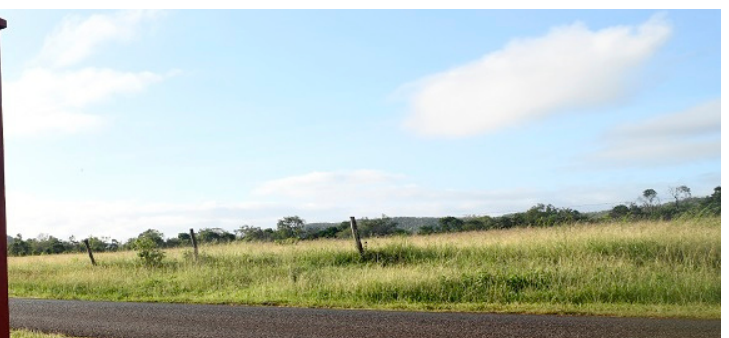
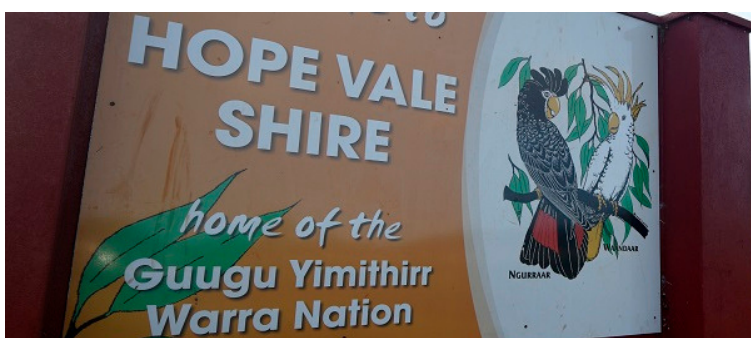
### **COMMUNITY BUILDINGS**

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



### **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







# OTHER MATTERS

## **POLICIES FOR ADOPTION**

- ATTACHMENT 1** RISK MANAGEMENT POLICY
- ATTACHMENT 2** RISK MANAGEMENT FRAMEWORK AND GUIDELINES
- ATTACHMENT 3** INVESTMENT POLICY
- ATTACHMENT 4** REIMBURSEMENT OF EXPENSES AND PROVISION OF FACILITIES POLICY
- ATTACHMENT 5** DEBT POLICY
- ATTACHMENT 6** COMMUNITY GRANTS POLICY
- ATTACHMENT 7** CASH MANAGEMENT POLICY
- ATTACHMENT 8** ADVERTISING SPENDING POLICY
- ATTACHMENT 9** ADMINISTRATIVE COMPLAINTS POLICY AND PROCESS
- ATTACHMENT 10** COMMUNITY ENGAGEMENT POLICY
- ATTACHMENT 11** HUMAN RIGHTS POLICY AND PROCESS
- ATTACHMENT 12** PUBLIC INTEREST DISCLOSURE POLICY
- ATTACHMENT 13** PUBLIC INTEREST DISCLOSURE PROCEDURE
- ATTACHMENT 14** FRAUD AND CORRUPTION POLICY
- ATTACHMENT 15** FRAUD AND CORRUPTION PREVENTION FRAMEWORK
- ATTACHMENT 16** PROCUREMENT POLICY
- ATTACHMENT 17** ENTERTAINMENT AND HOSPITALITY POLICY
- ATTACHMENT 18** COMMUNICATIONS & MEDIA POLICY
- ATTACHMENT 19** CONTRACTS MANUAL

