

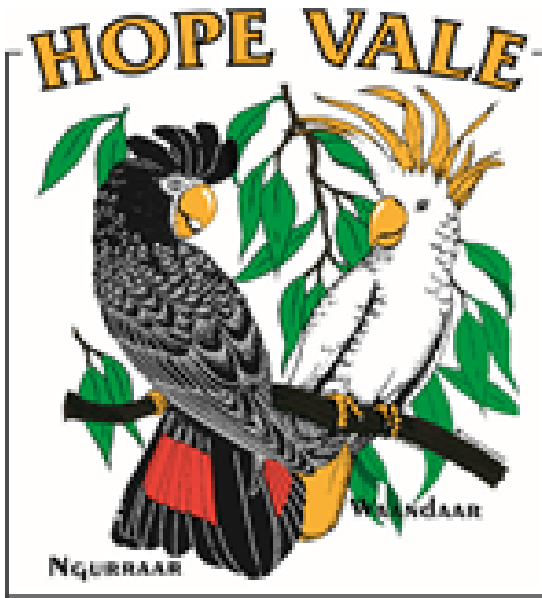
HOPE VALE ABORIGINAL
SHIRE COUNCIL

COUNCIL FINANCE REPORT



13 DECEMBER 2020

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 13 December 2020 demonstrates another favourable result. As with previous months, the Contract and Recoverable Works are operating in surplus and the second payment of the Financial Assistance Grant was received..

Depreciation for the full month of December 2020 has been fully expensed in the Income Statement.

Recurrent expenses have increased in December 2020 and are a better reflection of what was budgeted and this is reflected when comparing the operating surplus ratio's between November 2020 and December 2020.

The Balance Sheet cash position remains steady and comparable to last month. Total Community Equity between July 2020 through to December 2020 has increased by over \$1 Million.

Council has achieved all target measures in December 2020 for all measureable Sustainability Ratios.

The debtors balance has decreased again in December by \$260k since last month. There has been a focused and proactive approach to invoicing with Emma dedicating considerable time to the Building Department and then following up on early collection.

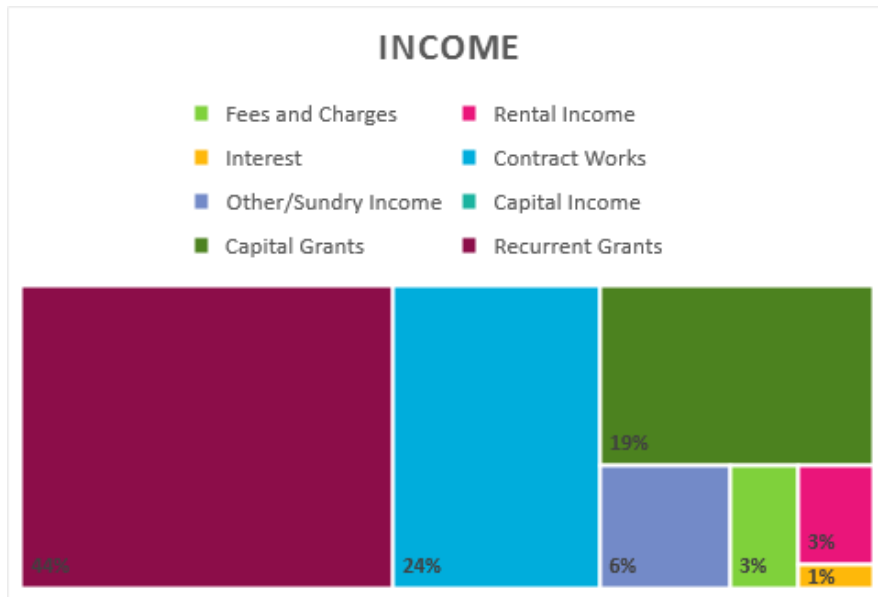
With regard to the year end QAO External Audit, Council has completed the planning visit and the QAO External Plan has been finalised and dates agreed on. for Interim and Final visits which are in line with last years dates.



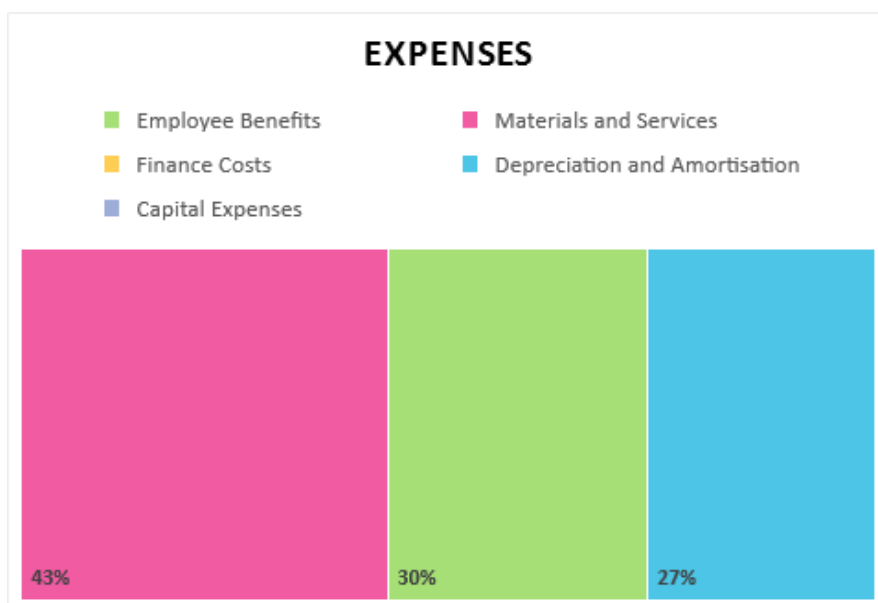
Our Statistics

STATEMENT OF INCOME AND EXPENDITURE

CURRENT INCOME



Year to date total income currently sits at \$8.84M. Contract works and recurrent grants continue to be the major source of income for Council year to date making up 67% of the total revenue. It is anticipated that the contract works will steadily increase in the next few months. There remains some contractual leases to be finalised and there has been a change to the invoicing cycle methodology of some leases which is reflected in the Income Statement. Capital grants revenue reflects 19% of overall income. This is expected to increase in the coming months as Council is awaiting payment of nearly \$1.7M from capital grant funded projects that Council has had to fund from own source revenue until payment is made.



CURRENT EXPENDITURE

Materials and services together with employee benefits comprise of 73% of Council's expenditure of \$6.92M. This percentage is the equivalent to last month. In addition to these expenses, depreciation expense represents \$1.85M 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

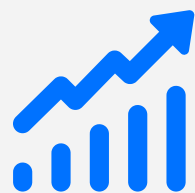
THE BIG NUMBERS

**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

\$2.49M

DEBTORS BALANCE

\$579,017

QUARANTINED GRANT FUNDS

\$1,581,529

GRANT FUNDING RECIEVED

\$5,046,446

STATE GOVERNMENT

\$493,170

FEDERAL GOVERNMENT

GST CREDIT

\$49,985

DECEMBER 2020



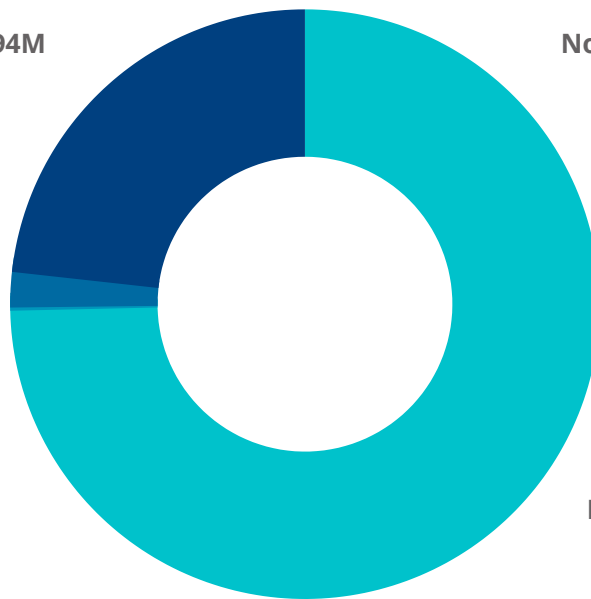
Our Statistics

STATEMENT OF FINANCIAL POSITION

Current Assets \$27.94M

Non Current Liabilities \$211K

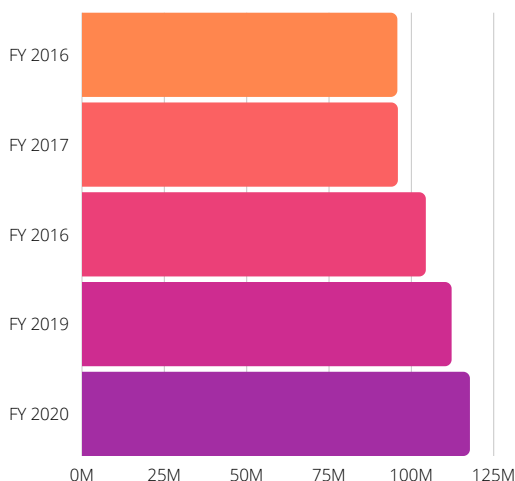
Current Liabilities \$2.61M



Non Current Assets \$94.01M

CURRENT EQUITY

Council is currently managing in excess of \$119.1M of net community assets on behalf of all residents. Total Community Equity has had an increase in growth of \$1.073M 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
\$23.92 M 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 SEPTEMBER 2020 STATISTICS



1. Operating Surplus Ratio - 3%

2. Asset Sustainability Ratio - 91%

3. Net Financial Liabilities Ratio -351%



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 |



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 |



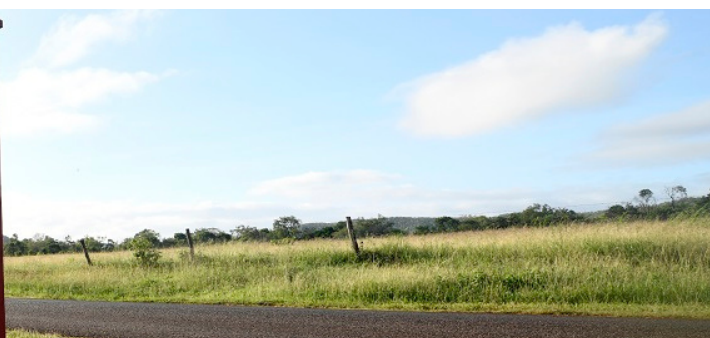
COMMUNITY BUILDINGS

| | |
|------------------------------------|-----------|
| 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 |





DRAFT POLICIES FOR REVIEW

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

ATTACHMENT 10 – COMMUNITY ENGAGEMENT POLICY

ATTACHMENT 11 – HUMAN RIGHTS POLICY

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

