

Title of Report: December 2023 Finance Report

Agenda Item: 11.1

Classification: For Noting

Author Manager Finance

Attachments Statement of Comprehensive Income

Enterprise Financial Summary

Cash Position Summary

Statement of Financial Position

Debtors and Creditors Outstanding

Officers Recommendation:

That Council:

Note and accept the Manager of Finance Report for the period ending 31 December 2023

PURPOSE OF REPORT

To provide Councillors with a status update on the Council's financial position in accordance with the requirements of the Local Government Act 2009 and s204 of the Local Government Regulations 2012.

BACKGROUND AND CONTEXT

Overall position

Financials current year

The Council's financial position as at the end of December 2023 has declined from its November position mainly due to the decrease in cash held. There was a \$120K decrease in Accounts Receivables, and a \$2.58 million decrease in Cash. Accounts Payables have increased by \$91K and payments for work on capital projects increased by \$618KM during the month of December.

Current obligations (liabilities) are at \$13.67M compared to a cash position at the end of December being at \$7.16M. Unrestricted cash is estimated to be in the negative, as there is still \$10.3M of unspent Grant funding on various operational and Capital projects in addition to unpaid suppliers and employee entitlements.

Operating grants received for the month of December were not recorded in PCS due to the Bank Reconciliation module being unprocessed since September. The Executive Manager Corporate and Finance Services however has been working with staff to address this issue. Capital Grants for November were \$68K invoice to Dept of Transport & Main Roads for work on Ferry Road backroad.

In December, QBuild was invoiced for \$341.3K for work on upgrades and maintenance to Community housing.



Revenue

Operational Revenue for the period to 31 December 2023 is tracking slightly higher than budgeted, as revenues received are at 52% compared to 50% of the year elapsed. This is mainly due to the receipt of the \$9.6M ICFP grant received in August, which was for more than the Budgeted amounts of the 3 Grants that it replaced

Expenses

Operational Expenditure is tracking slightly lower than Budget at 45% of Budget compared to 50% of the year elapsed.

Materials and Services comprises half of Councils Operational Expenditure at \$14.4M, and \$4.63M of this is payments to contractors and consultants for the upkeep of Council assets. A further \$1.1M is for the Insurances that Council is required to hold, \$4.63M for the purchase of stock for the various Enterprises and \$1.41M for Repairs & Maintenance of Council assets.

Employee benefits are slightly higher compared with previous year, however are lower than Budget expectations for 2023/24.

Cash Position

At end of December 2023, after allowing for the end of month creditors, total staff leave liabilities, grants contracts obligations, Council has a negative cash position due to cash held being \$7.16M whilst current commitments are \$13M including \$10.3M of unspent Grant funding.

Enterprises

During December, the Alau Supermarket made a monthly loss of \$239.5K, the Injinoo Batching Plant made a monthly loss of \$69.3K and the Jardine Ferry & Roadhouse made a monthly loss of \$141.9K. The Injinoo Service Station made a monthly profit of \$40.7K and the NPARC Store made a monthly profit of \$158.7K For every dollar spent, the combined enterprises brought in \$0.03 of surplus.

Audit last financial year ending 30 June 2022

Council and the Queensland Audit Office (QAO) auditors are continuing to work together on progressing the audit whilst the necessary work is completed. Due to several prior year errors which are being rectified this year, the audit is taking a lot longer than anticipated. NPARC has provided QAO with a final set of financial statements and the QAO have agreed to work on a timetable to audit remaining documentation. Meeting scheduled in early Jan to plan the final audit visit.

Budget and Management Reporting

Budget for the 2023/24 financial year has been adopted at Special Council Meeting of 27th June 2023.

CRITICAL DATES

N/A.



OTHER OPTIONS CONSIDERED

N/A.

LEGAL AND LEGISLATION CONSIDERATIONS

N/A

POLICY CONSIDERATIONS

N/A.

CORPORATE AND OPERATIONAL PLAN CONSIDERATIONS

Operational Plan – 2. FISCAL MANAGEMENT

FINANCIAL AND RESOURCE CONSIDERATIONS

N/A.

CONSULTATION

N/A.

Statement of Comprehensive Income

Percentage of year elapsed as at 31-December-2023

50%

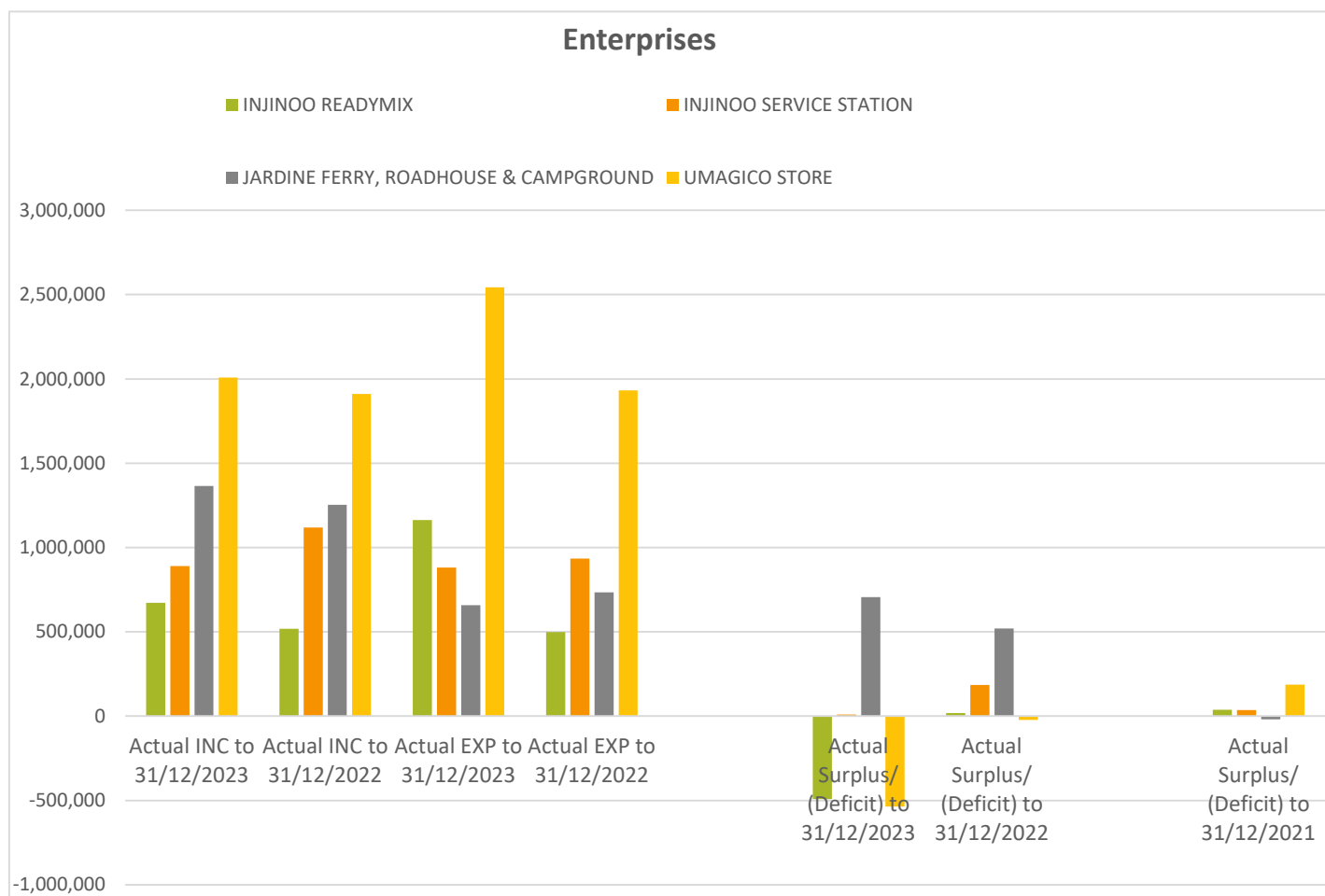
The Statement of Comprehensive Income is often referred to as the Profit and Loss Statement. This statement shows what Council has earned (revenue) and what costs Council has incurred (expenses) for the year to date.

Northern Peninsula Area Regional Council Statement of Comprehensive Income For the period ended 31-December-2023

	<u>Period End</u> <u>31/12/2023</u>	<u>Period End</u> <u>31/12/2022</u>	<u>Annual</u> <u>Budget</u> <u>2023-24</u>	<u>% Actual vs</u> <u>Budget</u>
Income				
Recurrent Revenue				
Rates, levies and charges	(219,135)	1,256,251	2,814,952	-8%
Fees and charges	166,382	395,571	359,950	46%
Rental income	1,143,703	444,524	1,045,587	109%
Interest received	41,175	28,963	90,005	46%
Sales revenue	4,096,332	3,969,951	10,626,214	39%
Enterprise revenue	4,936,664	4,908,727	8,966,614	55%
Other income	253,296	315,940	2,908,076	9%
Grants, subsidies, contributions and donations	10,144,527	8,359,044	12,889,265	79%
Total recurrent revenue	20,562,944	19,678,971	39,700,663	52%
Capital revenue				
Grants, subsidies, contributions and donations	1,707,139	974,290	34,323,685	5%
Loss on sale Assets	-	-	-	
Total capital revenue	1,707,139	974,290	34,323,685	5%
Total revenue	22,270,084	20,653,261	74,024,348	30%
Expenses				
Recurrent expenses				
Employee benefits	(7,319,590)	(7,277,825)	(16,999,207)	43%
Materials and services	(14,440,517)	(12,014,880)	(32,065,414)	45%
Finance costs	(11,182)	(14,957)	(715,643)	2%
Depreciation and amortisation	(5,411,500)	(6,153,451)	(10,823,000)	50%
Total recurrent expenses	(27,182,788)	(25,461,113)	(60,603,264)	45%
Capital Expenses	-	0	(36,753,538)	0%
Total Capital Expenses	-	0	(36,753,538)	0%
Total expenses	(27,182,788)	(25,461,113)	(97,356,802)	28%
Result from ordinary activities	(4,912,704)	(4,807,852)	(23,332,454)	21%
OPERATING RESULT				
Operating Revenue	20,562,944	19,678,971	39,700,663	52%
Operating Expenses	(27,182,788)	(25,461,113)	(60,603,264)	45%
Operating Surplus/(Deficit)	(6,619,843)	(5,782,142)	(20,902,601)	32%

Northern Peninsula Area Regional Council
Enterprise Financial Summary
As of 31-December-2023

ENTERPRISES	Actual INC to 31/12/2023	Actual INC to 31/12/2022	Actual EXP to 31/12/2023	Actual EXP to 31/12/2022	Actual Surplus/ (Deficit) to 31/12/2023	Actual Surplus/ (Deficit) to 31/12/2022	Actual Surplus/ (Deficit) to 31/12/2021
INJINOO READYMIX	672,363	518,148	1,163,475	499,302	(491,112)	18,846	37,776
INJINOO SERVICE STATION	891,080	1,119,249	880,753	934,214	10,327	185,035	35,867
JARDINE FERRY, ROADHOUSE & CAMPGROUND	1,364,757	1,253,144	658,004	733,755	706,753	519,388	(18,533)
NPARC STORES	588,972	491,666	438,726	440,387	150,247	51,279	(34,081)
UMAGICO STORE	2,008,464	1,911,034	2,544,017	1,932,443	(535,553)	(21,409)	186,760
Total Enterprises	5,525,636	5,293,241	5,684,974	4,540,102	(159,338)	753,139	207,788



Cash Position Summary

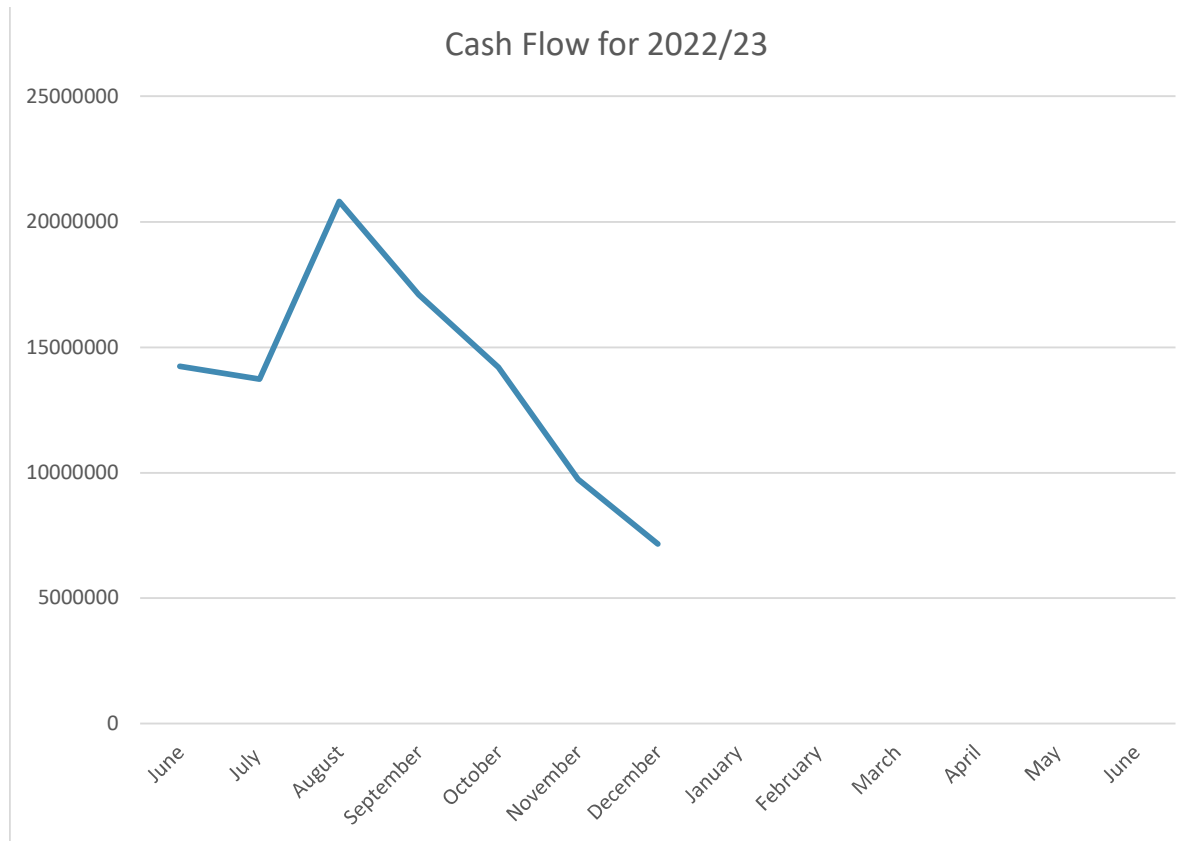
This attachment shows the cash flow position of NPARC and the activities year to date - June 2024

The estimated net cash position is \$8.82M as of 31 December 2023. Estimated known restrictions at end of Dec 2023 are staff leave liabilities during the next 12 months: \$1.04M, Creditors liabilities at end of month \$717.6K, grants project deliveries \$11.25M.

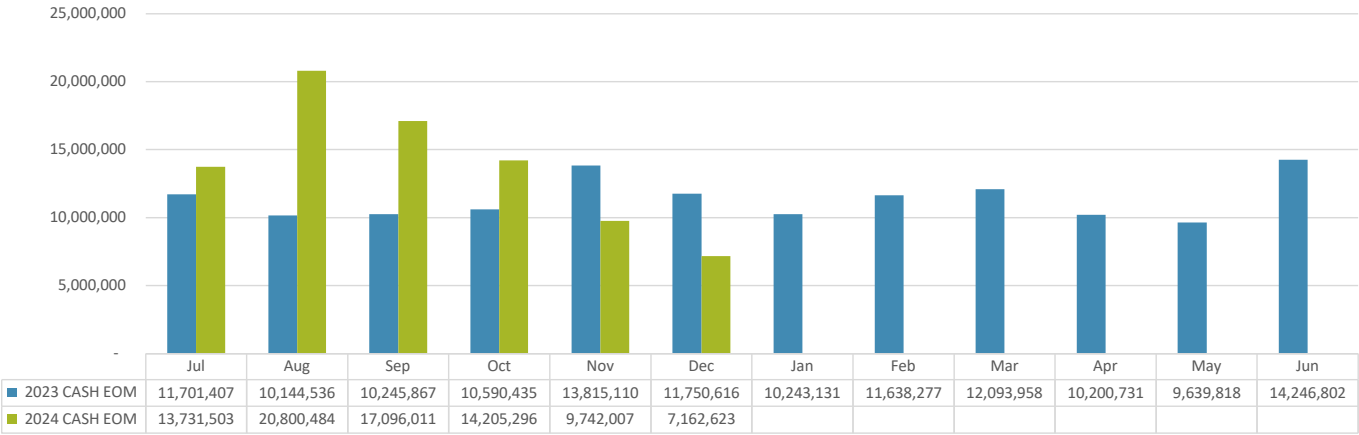
Cash balances total at 31-December-2023 was	8.82M
Of this	
NPARC CBA General Account	\$ 4,628,216
NPARC Cash Floats	\$ 10,175
NPARC Cash on hand-ATM Umagico Store	(16,851)
DHPW Trust Account	^ 5 new houses \$ 557,284
NPARC QTC Investment	^ effective rate 1.94% \$ 3,639,690

Northern Peninsula Area Regional Council Statement of Cash Position As at 31-December-2023

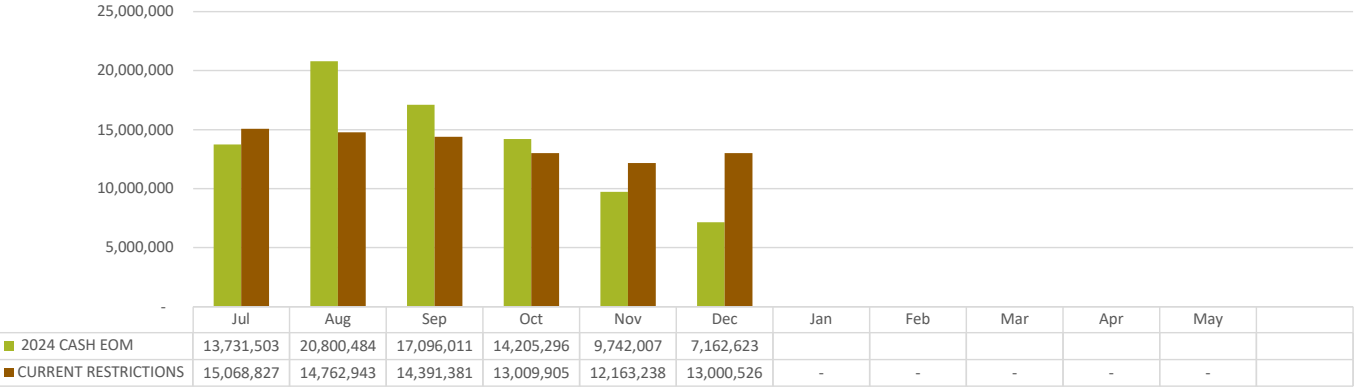
	\$
Cash flows from operating activities:	
Receipts from customers	8,700,910
Payments to suppliers and employees	(21,210,997)
	<u>(12,510,087)</u>
Interest received	41,175
Rental Income	1,143,703
Non-capital grants and contributions	10,144,527
Finance costs	(11,182)
Net cash inflow (outflow) from operating activities	<u>(1,191,863)</u>
Cash flows from investing activities	
Payments for property, plant and equipment	(3,094,660)
Grants, subsidies, contributions and donations	1,707,139
Net cash inflow (outflow) from investing activities	<u>(1,387,520)</u>
Net increase (decrease) in cash and cash equivalents held 31-December-	(2,579,383)
Cash and cash equivalents at beginning of reporting period	9,742,007
Cash and cash equivalents at 31-December-2023	<u>7,162,623</u>



Cash on hand - month on month comparative



Cash balance compared with
Cash Restrictions - GRANTS CONTRACT LIAB, STAFF LEAVE LIAB, EOM CREDITORS



Statement of Financial Position

The Statement of Financial Position is often referred to as the Balance Sheet and is a snapshot of the financial position of Council at a particular time. It measures what Council owns (Assets) and what Council owes (Liabilities). The difference between these two components is the net wealth (Equity) of Council.

Northern Peninsula Area Regional Council Statement of Financial Position As at 31-December-2023

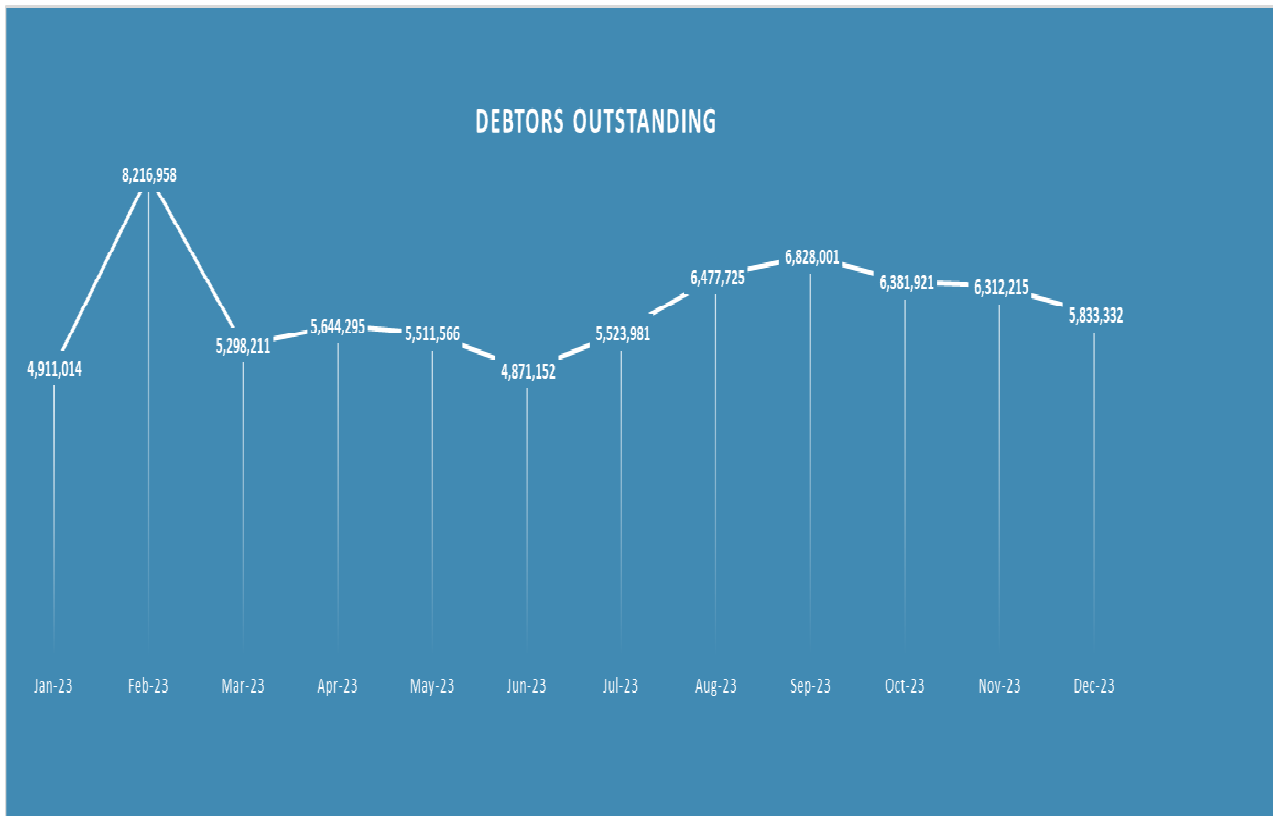
	As at 31-Dec-2023 Actual	As at 31-Dec-2022 Actual
	\$	\$
Current Assets		
Cash and cash equivalents	7,162,623	11,728,077
Trade and other receivables	2,980,940	3,600,948
Inventories	887,249	969,535
Other financial assets	206,883	206,883
	<u>11,237,695</u>	<u>16,505,443</u>
Non-current assets classified as held for sale	-	-
Total current assets	<u>11,237,695</u>	<u>16,505,443</u>
Non-current Assets		
Trade and other receivables	-	-
Other financial assets-Leased Assets	17,421,672	17,421,672
Property, plant and equipment	212,561,299	206,382,632
Work in progress	14,408,604	5,636,104
Total Non-current assets	<u>244,391,575</u>	<u>229,440,408</u>
TOTAL ASSETS	<u>255,629,270</u>	<u>245,945,851</u>
Current liabilities		
Trade and other payables	1,893,391	1,915,841
Borrowings	-	-
Provisions	1,138,047	1,138,047
Other	10,641,196	10,408,437
Total Current liabilities	<u>13,672,633</u>	<u>13,462,325</u>
Non-current liabilities		
Provisions	1,828,266	1,828,266
Total Non-current liabilities	<u>1,828,266</u>	<u>1,828,266</u>
TOTAL LIABILITIES	<u>15,500,899</u>	<u>15,290,591</u>
NET COMMUNITY ASSETS	<u>240,128,370</u>	<u>230,655,259</u>
Community Equity		
Asset revaluation reserve	75,076,287	75,076,287
Retained surplus/(deficiency)	165,052,083	155,578,972
Reserves	-	-
TOTAL COMMUNITY EQUITY	<u>240,128,370</u>	<u>230,655,259</u>

***Northern Peninsula Area Regional Council
Analysis of Debtors and Creditors Outstanding
As of 31-December-2023***

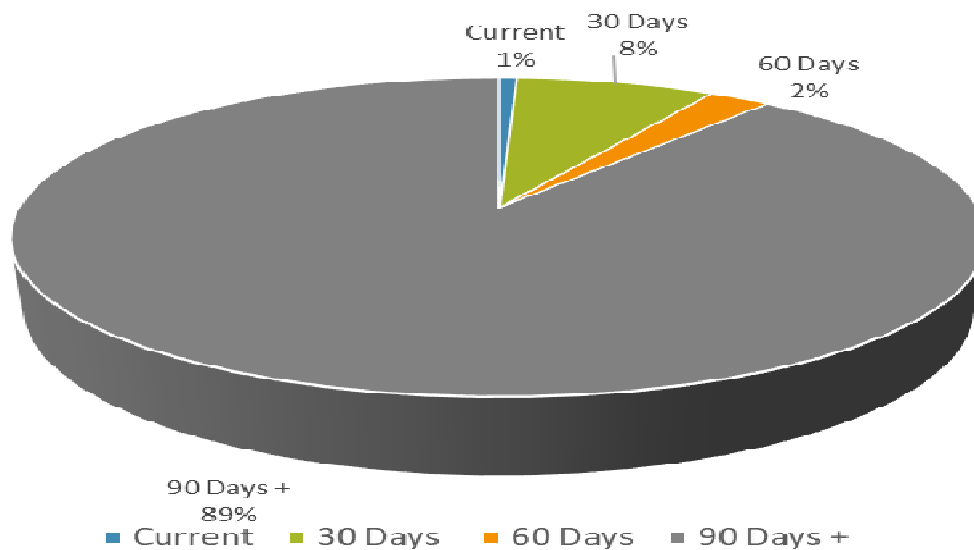
Debtors Outstanding and Recovery

Total debtors outstanding as of 31 December 2023 was \$5.83M of which 88.98% is outstanding over 90 days.

Total bad debt provision as at 30 June 2023 is \$3.545M, after analysis and further discussions with QAO. This represents 68.30% of outstanding 90 Day Debtors and 60.77% of total Debtors at 31 December 2023



Debtors Age Analysis - December-23



Creditors Outstanding

The total Creditors outstanding as at 31 December 2023 was \$1,702,867. The age analysis of the Creditors is as follows.

Description	Current	30 Days	60 Days	90 Days +	Total
December 2023					
Creditors outstanding	\$153,070	\$1,217,788	\$284,251	\$47,758	\$1,702,867
Number of Creditors					72

Month	Debtors Outstanding	
	2022-23	2023-24
Jul	4,582,472	5,523,981
Aug	4,623,565	6,477,725
Sep	6,235,691	6,828,001
Oct	5,405,709	6,381,921
Nov	5,116,696	6,312,215
Dec	4,851,744	5,833,332
Jan	4,911,014	
Feb	8,216,958	
Mar	5,298,211	
Apr	5,644,295	
May	5,511,566	
Jun	4,871,152	

Debtors Age	Previous	EOM	Prov Doubt Debts is	
			\$3,545,000	
Current	83,995	41,725		68.30%
30 Days	447,491	458,637		60.77%
60 Days	696,757	142,330		
90 Days +	5,083,972	5,190,640		88.98%
	6,312,215	5,833,332		

Jul-22	4,582,472
Aug-22	4,623,565
Sep-22	6,235,691
Oct-22	5,405,709
Nov-22	5,116,696
Dec-22	4,851,744
Jan-23	4,911,014
Feb-23	8,216,958
Mar-23	5,298,211
Apr-23	5,644,295
May-23	5,511,566
Jun-23	4,871,152
Jul-23	5,523,981
Aug-23	6,477,725
Sep-23	6,828,001
Oct-23	6,381,921
Nov-23	6,312,215
Dec-23	5,833,332
Jan-24	-
Feb-24	-
Mar-24	-
Apr-24	-

