



## **MEETING BOOK**

**Northern Peninsula Area Regional Council**

**Special Council Meeting**

**To commence at 3:00pm**

**On**

**Tuesday 30<sup>th</sup> August 2022**

**Bamaga Boardroom**



**AGENDA ITEM 1- 9**  
**SPECIAL COUNCIL MEETING**  
**Tuesday 30th August 2022**  
**Bamaga Boardroom**

- 1. Welcome and Opening of Meeting**
- 2. Acknowledgement of Traditional Owners**
- 3. Present**
- 4. Apologies**
- 5. Declarations of Conflicts of Interest**
- 6. Finance Report**
- 7. Other Business**
- 8. General Business**
- 9. Close of Meeting**

Agenda Item	Jul-22 Finance Report
Classification	For Noting
Author	Manager Finance – Marie Chan
Attachments	A. Statement of Comprehensive Income B. Enterprise Financial Summary C. Cash Position Summary D. Statement of Financial Position E. Debtors and Creditors Outstanding

### Officer's Recommendation:

#### That Council:

Note and accept the Finance Report for the period ending 31 July 2022.

## 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 July 2022 remains challenging but manageable. Current obligations (liabilities) are at (\$11M) compared to a cash position at the end of July being at 11.7M.

8% of the year has elapsed as at end of month, whereas 9% of the yearly budget expenditure has been used up and only 6 % of budgeted operating income have been earned.

#### Audit last financial year

Queensland Audit Office final visit to audit previous financial year will be from 12 to 23 September.

### Revenue

Operational Revenue for the period to 31 July 2022 is tracking 6% unfavourably compared to 8% of the year elapsed.

### Expenses

Operational Expenditure is tracking unfavourably to budget.

Materials and Services is higher than expected and reflect the inflationary pressure from the economy in general. Employee benefits are lower compared previous year as some positions are still being recruited and have not been filled to-date.

### **Cash Position**

The Council has a tight cash position although additional grant receipts continue to ease the position.

### **Enterprises**

Except for Jardine ferry, roadhouse and campground business enterprise, the business enterprises activities are at a deficit this end of July 2022 (current year). In July 2021 previously, the accounts for Umagico Store were showing a more pronounced deficit.

### **Budget and Management Reporting.**

Work is continuing to break the budget in greater details with a view to upload in Council PCS finance system so that all managers are provided their own budget that was earlier approved by Council.

## **OTHER OPTIONS CONSIDERED**

N/A

## **LEGAL AND LEGISLATION CONSIDERATIONS**

N/A

## **POLICY CONSIDERATIONS**

N/A

## **CORPORATE AND OPERATIONAL PLAN CONSIDERATIONS**

Operation Plan – 2. FISCAL MANAGEMENT

## **FINANCIAL AND RESOURCE CONSIDERATIONS**

N/A

## **CONSULTATION**

This report is prepared from information supplied from the Team Leaders and staff of the Finance Department.

# Statement of Comprehensive Income

Percentage of year elapsed as at 31-July-2022

8%

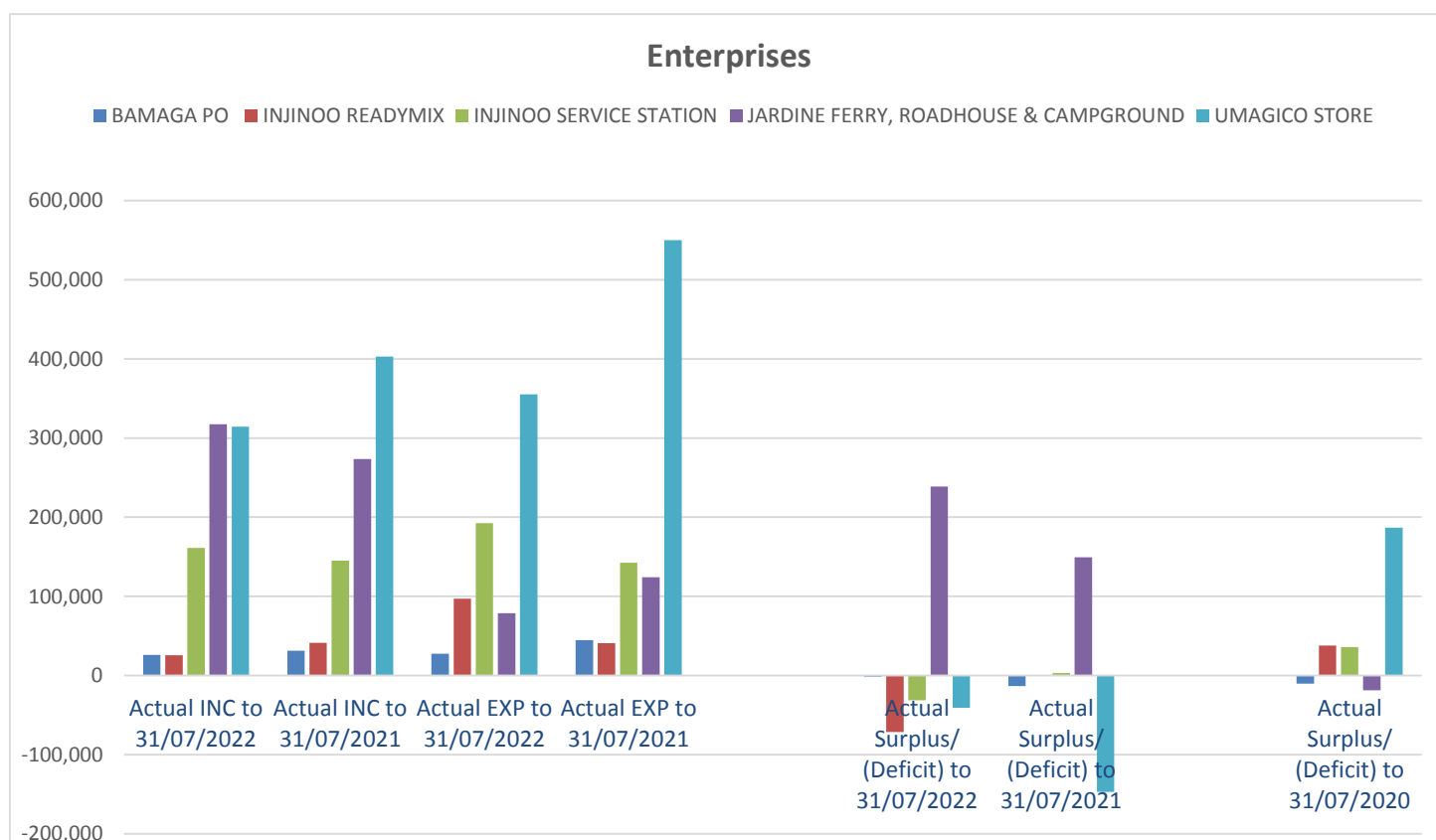
The Statement of Comprehensive Income is often referred to as the Profit and Loss Statement. This statement shows what Council has earned (revenue) and what costs Council has incurred (expenses) for the year to date.

## Northern Peninsula Area Regional Council Statement of Comprehensive Income For the period ended 31-July-2022

	<u>Period End</u> <u>31/07/2022</u>	<u>Period End</u> <u>31/07/2021</u>	<u>Annual</u> <u>Budget</u> <u>2022-23</u>	<u>% Actual vs</u> <u>Budget</u>
<b>Income</b>				
<b>Recurrent Revenue</b>				
Rates, levies and charges	-	-	3,300,000	0%
Fees and charges	24,785	81,152	1,000,000	2%
Rental income	565,323	573,658	1,800,000	31%
Interest received	1,737	1,041	75,000	2%
Sales revenue	356,260	444,457	8,500,000	4%
Enterprise revenue	992,900	915,258	9,500,000	10%
Other income	38,035	45,133	1,000,000	4%
Grants, subsidies, contributions and donations	381,695	2,502,608	15,000,000	3%
<b>Total recurrent revenue</b>	<b>2,360,735</b>	<b>4,563,307</b>	<b>40,175,000</b>	<b>6%</b>
<b>Capital revenue</b>				
Grants, subsidies, contributions and donations	100,000	113,870	7,500,000	1%
Loss on sale Assets	-	-	-	
<b>Total capital revenue</b>	<b>100,000</b>	<b>113,870</b>	<b>7,500,000</b>	<b>1%</b>
<b>Total revenue</b>	<b>2,460,735</b>	<b>4,677,177</b>	<b>47,675,000</b>	<b>5%</b>
<b>Expenses</b>				
<b>Recurrent expenses</b>				
Employee benefits	(1,008,490)	(1,760,839)	(16,468,000)	6%
Materials and services	(2,254,175)	(1,954,590)	(19,000,000)	12%
Finance costs	(2,744)	(7,732)	(65,000)	4%
Depreciation and amortisation	(898,000)	(897,873)	(11,000,000)	8%
<b>Total recurrent expenses</b>	<b>(4,163,409)</b>	<b>(4,621,034)</b>	<b>(46,533,000)</b>	<b>9%</b>
Capital Expenses	-	-	(900,000)	0%
<b>Total Capital Expenses</b>	<b>-</b>	<b>-</b>	<b>(900,000)</b>	<b>0%</b>
<b>Total expenses</b>	<b>(4,163,409)</b>	<b>(4,621,034)</b>	<b>(47,433,000)</b>	<b>9%</b>
<b>Result from ordinary activities</b>	<b>(1,702,674)</b>	<b>56,143</b>	<b>242,000</b>	<b>-704%</b>
<b>OPERATING RESULT</b>				
Operating Revenue	2,360,735	4,563,307	40,175,000	6%
Operating Expenses	(4,163,409)	(4,621,034)	(46,533,000)	9%
<b>Operating Surplus/(Deficit)</b>	<b>(1,802,674)</b>	<b>(57,727)</b>	<b>(6,358,000)</b>	<b>28%</b>

*Northern Peninsula Area Regional Council*  
*Enterprise Financial Summary*  
*As of 31-July-2022*

ENTERPRISES	Actual INC to 31/07/2022	Actual INC to 31/07/2021	Actual EXP to 31/07/2022	Actual EXP to 31/07/2021	Actual Surplus/ (Deficit) to 31/07/2022	Actual Surplus/ (Deficit) to 31/07/2021	Actual Surplus/ (Deficit) to 31/07/2020
BAMAGA PO	25,852	31,462	27,365	44,733	(1,514)	(13,272)	(10,430)
INJINOO READYMIX	25,601	41,155	97,127	40,858	(71,526)	298	37,776
INJINOO SERVICE STATION	161,109	145,240	192,326	142,300	(31,217)	2,940	35,867
JARDINE FERRY, ROADHOUSE & CAMPGROUND	317,247	273,581	78,674	124,225	238,573	149,356	(18,533)
NPARC STORES	73,830	55,289	57,983	75,388	15,848	(20,099)	(34,081)
UMAGICO STORE	314,435	403,053	355,301	550,048	(40,866)	(146,995)	186,760
<b>Total Enterprises</b>	<b>918,074</b>	<b>949,780</b>	<b>808,776</b>	<b>977,552</b>	<b>109,298</b>	<b>(27,772)</b>	<b>197,358</b>



## Cash Position Summary

This attachment shows the cash we currently have available for use, less any unexpended grants and payables, borrowings and provisions.

The estimated net cash position of **\$2.66M** as of **31 May 2022**. This now takes account of grants received and posted to revenue. The working capital position (unrestricted cash) is estimated at **\$3.9M** which represents over 1 month of Council expenditure. QTC recommend a level of between 3 and 4 months, ie between \$8M and \$11M in NPARC terms.

**Cash balances total at 31-July-2022 was 11.47M**

**Of this**

NPARC CBA General Account		\$	7,434,951
NPARC Cash Floats		\$	11,475
DHPW Trust Account	^ 5 new houses	\$	557,284
NPARC QTC Investment	^ effective rate 1.94%	\$	3,467,128

### Northern Peninsula Area Regional Council Statement of Cash Position As at 31-July-2022

	\$
<b>Cash flows from operating activities:</b>	
Receipts from customers	2,105,708
Payments to suppliers and employees	(2,837,722)
	<u>(732,014)</u>
Interest received	1,737
Rental Income	565,323
Non-capital grants and contributions	381,695
Finance costs	(2,744)
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>213,997</u></b>
<b>Cash flows from investing activities</b>	
Payments for property, plant and equipment	(307,486)
Grants, subsidies, contributions and donations	100,000
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>(207,486)</u></b>
<b>Net increase (decrease) in cash and cash equivalents held 31-July-2022</b>	<b>6,511</b>
Cash and cash equivalents at beginning of reporting period	<u>11,676,890</u>
<b>Cash and cash equivalents at 31-July-2022</b>	<b><u>11,683,401</u></b>

## 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.

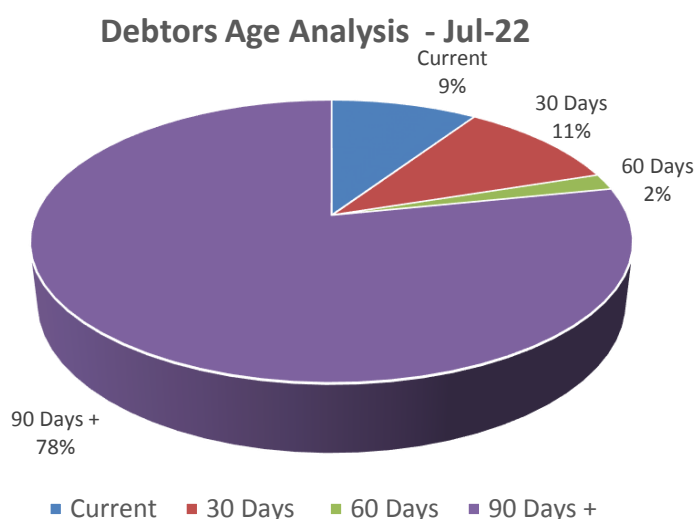
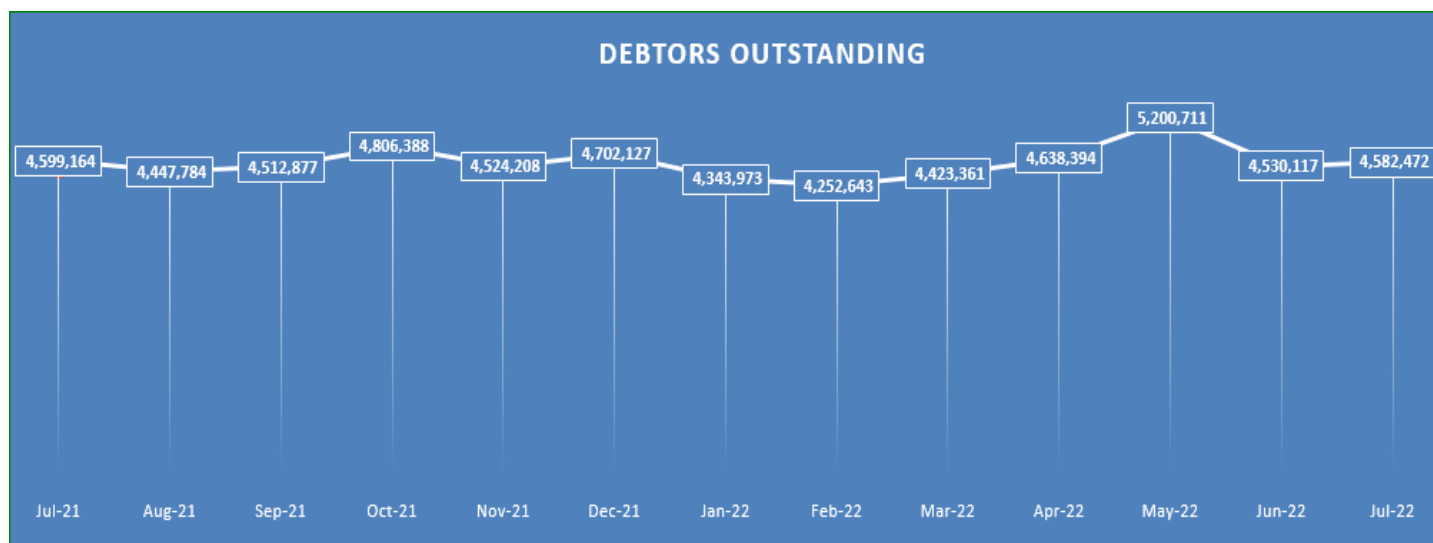
### Northern Peninsula Area Regional Council Statement of Financial Position As at 31-July-2022

	As at 31-July-2022 Actual	As at 30-June-2021 Actual (unaudited)
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	11,683,401	11,255,465
Trade and other receivables	1,944,051	1,968,967
Inventories	1,092,521	1,154,258
Other financial assets	986,309	220,254
	15,706,282	14,598,944
Non-current assets classified as held for sale	-	-
<b>Total current assets</b>	<b>15,706,282</b>	<b>14,598,944</b>
<b>Non-current Assets</b>		
Trade and other receivables	-	-
Other financial assets	15,367,280	15,367,280
Property, plant and equipment	189,545,230	194,059,424
Work in progress	7,578,264	7,695,226
<b>Total Non-current assets</b>	<b>212,490,774</b>	<b>217,121,930</b>
<b>TOTAL ASSETS</b>	<b>228,197,056</b>	<b>231,720,874</b>
<b>Current liabilities</b>		
Trade and other payables	1,835,537	3,808,507
Borrowings	-	-
Provisions	1,049,318	1,255,473
Other	8,122,469	5,778,209
<b>Total Current liabilities</b>	<b>11,007,324</b>	<b>10,842,189</b>
<b>Non-current liabilities</b>		
Provisions	1,229,143	564,018
<b>Total Non-current liabilities</b>	<b>1,229,143</b>	<b>564,018</b>
<b>TOTAL LIABILITIES</b>	<b>12,236,468</b>	<b>11,406,207</b>
<b>NET COMMUNITY ASSETS</b>	<b>215,960,588</b>	<b>220,314,667</b>
<b>Community Equity</b>		
Asset revaluation reserve	62,006,652	62,006,652
Retained surplus/(deficiency)	153,953,936	158,308,015
Reserves	-	-
<b>TOTAL COMMUNITY EQUITY</b>	<b>215,960,588</b>	<b>220,314,667</b>

***Northern Peninsula Area Regional Council  
Analysis of Debtors and Creditors Outstanding  
As of 31-July-2022***

***Debtors Outstanding and Recovery***

Total debtors outstanding as of 31 July 2022 was \$4.6M of which 78% is outstanding over 90 days. Council is continuing efforts to recover debts with legal action being commenced on a number of long outstanding items. Total bad debt provision as at 31 July 2022 continues to be \$2.8M, there being no change from the financial year ending June-2021 & June-2022.



***Creditors Outstanding***

The total Creditors outstanding as of 31 July 2022 was \$554,844 the age analysis of the creditors is as follows.

Description	Current	30 Days	60 Days	90 Days +	Total
<b>JULY 2022</b>					
Creditors outstanding	\$379,397	\$14,437	\$9,227	\$151,783	\$554,844
Number of Creditors					58