

Tiwi Islands Regional Council

Chief Executive Officer's Certificate

1. There is no meeting of the Council scheduled for January 2023 and the Council does not have a Committee to deal with the monthly financial report.
2. In the absence of a Committee provided for in Regulation 19 of the Local Government (General) Regulations, the financial report for the month of December 2022, has been circulated to all members of the Council, published on the Council's website and will be presented to the Ordinary meeting of the Council scheduled for 22nd February 2023.
3. To the best of my knowledge, information and belief:
 - (i) The internal controls implemented by the council are appropriate; and
 - (ii) The council's financial report best reflects the financial affairs of the Council.

Signed by:



Allan McGill
Temporary Chief Executive Officer
Tiwi Islands Regional Council

11 January 2023
Date



TITLE OF REPORT: Finance End of Month Report – Dec 2022

AUTHOR: Bala Krishna Donepudi, Chief Financial Officer

Statement of Financial Performance for the period ended Dec 2022					
Income	Year to Date				Full Year Budget
	Actual	Budget	Variance*	%	
61 - Income Rates and Charges	3,127,853	1,573,954	1,553,899	99%	3,147,908
62 - Income Council Fees and Charges	676,395	778,875	(102,480)	-13%	1,557,750
63 - Income Operating Grants Subsidies	4,453,153	4,335,820	117,333	3%	10,171,640
66 - Income Reimbursements and Others	50,430	54,993	(4,563)	-8%	109,986
67 - Income Agency and Commercial Serv	337,513	481,875	(144,362)	-30%	963,750
69 - Income Sale of Assets	0	750	(750)	-100%	1,500
Total Operating Revenue	8,645,344	7,226,267	1,419,077	20%	15,952,534
Expenditure					
71 - Employee Expenses	2,952,474	3,373,475	421,001	12%	6,746,950
72 - Contract and Material Expenses	1,628,135	3,398,651	1,770,516	52%	8,157,303
73 - Finance Expenses	2,644	3,807	1,163	31%	7,614
74 - Communication Expenses	208,472	206,558	(1,915)	-1%	553,115
75 - Asset Expense	936,777	1,019,412	82,635	8%	2,038,825
79 - Miscellaneous Expenses	733,774	894,469	160,695	18%	1,788,938
Total Operating Expenditure	6,462,277	8,896,373	2,434,096	27%	19,292,744
Allocations	0				
Net Surplus/(Deficit)	2,183,067	(1,670,106)	3,853,173		(3,340,210)
<i>Adjust for Capital and Depreciation</i>					
Less: Capital Expense	259,753	282,500	22,747	8%	591,653
Add back: Depreciation expense	936,777	1,019,412	(82,635)	-8%	2,038,825
Net Cash Surplus/(Deficit)	2,860,091	(933,193)	3,793,285		(1,893,038)
Restricted Cash Carried Forward	0	930,349	(930,349)	-100%	71,789
Total Surplus/(Deficit)	2,860,091	(2,845)	2,862,936		(1,821,249)
<i>Represented by:</i>					
Tied Funding Surplus/(Deficit)	2,253,820	37,410	2,216,411		(74,819)
Untied Funding Surplus/(Deficit)	606,271	(40,254)	646,525		80,507

Statement of Financial Position as at 31st Dec 2022	Amount
	\$
<u>Current Assets</u>	
Current Operating accounts & Cash on Hand	5,639,464
Trade and Other Receivables	456,084
Debtors	164,466
Inventory	71,110
Prepayments	332,846
Total Current Assets	6,663,970
<u>Current Liabilities</u>	
Trade and Other Payables	204,163
Creditors	286,488
Current Provisions	898,586
Other Current Liabilities	29,882
Unexpended Grant Liability	650,750
Total Current Liabilities	2,069,868
Net Current Assets	4,594,102
<u>Non Current Assets</u>	
Buildings Prescribed	13,354,690
Infrastructure Prescribed	1,233,338
Plant	896,468
Equipment	241,538
Motor Vehicles	425,390
Work in Progress	364,792
Other Non Current Assets	3,595,872
Total Non Current Assets	20,112,086
<u>Non Current Liabilities</u>	
Non Current Provisions	193,232
Non Current Borrowings	630,001
Non Current Lease Liabilities	2,820,055
Total Non Current Liabilities	3,643,288
Net Assets	21,062,900
<u>Equity</u>	
Accumulated Surplus/(Deficit)	8,382,579
Asset Revaluation Reserve	10,286,304
Current Year Surplus/(Deficit)	2,394,017
Total Equity	21,062,900

Current Operating Accounts & Cash on Hand

Account Balances as at 31st Dec 2022:

	\$
Operating Account	\$150,796
Trust Account	\$3,385,422
Christmas Saving Account	(\$5)
NIAA Bank Account	\$2,051,380
Cash Deposit Account (credit cards)	\$50,898
Cash on hand	\$974
	<u>\$5,639,464</u>

Cash Funding Type Split

	\$
Tied Funding	\$2,567,567
Untied Funding	\$3,071,898
	<u>\$6,491,475</u>

Ageing Receivables

The outstanding Debtors owed to Council at the end of Dec 2022 total \$ 81,399. The ageing of the outstanding receivables balances is as follows:

Description	Outstanding	Current	>30days	>60days	>90days
Debtors	\$ 81,399	\$74,553	\$146,477	\$14,188	\$137,853

The total Rates & Charges Outstanding at the end of Dec 2022 is \$ 446,588 of this \$210,034 relates to the 2022-23 financial year.

Description	Outstanding	2021-22	2022-23	Previous Years
Rates & Charges	\$446,588	\$ 60,633	\$ 210,034	\$ 175,921

Ageing Payables

The outstanding amounts owed by Council to Creditors at the end of Dec 2022 total \$ 128,103. The ageing of the outstanding balance is as follows:

Outstanding	Unapplied Credits	Current	>30days	>60days	>90days
\$ 128,103	(\$6,989)	\$100,831	\$23,072	\$3,446	\$7,744

**Statement of Financial Performance
for the period ended Dec 2022**

Income	Year to Date				Full Year Budget
	Actual	Budget	Variance *	%	
61 - Income Rates and Charges	3,127,853	1,573,954	1,553,899	99%	3,147,908
62 - Income Council Fees and Charges	676,395	778,875	(102,480)	-13%	1,557,750
63 - Income Operating Grants Subsidies	4,453,153	4,335,820	117,333	3%	10,171,640
66 - Income Reimbursements and Others	50,430	54,993	(4,563)	-8%	109,986
67 - Income Agency and Commercial Serv	337,513	481,875	(144,362)	-30%	963,750
69 - Income Sale of Assets	0	750	(750)	-100%	1,500
Total Operating Revenue	8,645,344	7,226,267	1,419,077	20%	15,952,534
Expenditure					
71 - Employee Expenses	2,952,474	3,373,475	421,001	12%	6,746,950
72 - Contract and Material Expenses	1,628,135	3,398,651	1,770,516	52%	8,157,303
73 - Finance Expenses	2,644	3,807	1,163	31%	7,614
74 - Communication Expenses	208,472	206,558	(1,915)	-1%	553,115
75 - Asset Expense	936,777	1,019,412	82,635	8%	2,038,825
79 - Miscellaneous Expenses	733,774	894,469	160,695	18%	1,788,938
Total Operating Expenditure	6,462,277	8,896,373	2,434,096	27%	19,292,744
Allocations	0				
Net Surplus/(Deficit)	2,183,067	(1,670,106)	3,853,173		(3,340,210)
<i>Adjust for Capital and Depreciation</i>					
Less: Capital Expense	259,753	282,500	22,747	8%	591,653
Add back: Depreciation expense	936,777	1,019,412	(82,635)	-8%	2,038,825
Net Cash Surplus/(Deficit)	2,860,091	(933,193)	3,793,285		(1,893,038)
Restricted Cash Carried Forward	0	930,349	(930,349)	-100%	71,789
Total Surplus/(Deficit)	2,860,091	(2,845)	2,862,936		(1,821,249)
<i>Represented by:</i>					
Tied Funding Surplus/(Deficit)	2,253,820	37,410	2,216,411		(74,819)
Untied Funding Surplus/(Deficit)	606,271	(40,254)	646,525		80,507

FY 2023 Rates Run completed

Income for property fees less than the budget

Income from Fuel sales is reduced & Airport invoices to be sent.

Unspent grant areas in CEO, Infrastructure , Grants Policy.

Underspent in LCRI , R2R , LAPP , Community Safety fundings.

Council's Statutory Payments and Reporting Obligations:**Fringe benefits Tax:**

Council's FY 2022 Fringe benefits tax return has been accepted and processed by ATO.

Insurance:

Council Insurance policy is renewed through the insurance broker JLT for FY 22-23. The policy coverage starts from 1st July 22 to 30th June 23. All JLT invoices are paid.

Superannuation:

Council's has processed its Superannuation liability for the period till 20th Nov 22 on 06th Dec 22. We are up to date with our Superannuation Compliance.

PAYG:

The tax Withheld from the staff salaries is remitted to the tax office on a Weekly basis. Latest Instalment PAYG of TIRC was released on 06th Jan 23. All the payments are up to date.

Business Activity Statements (BAS) :

We are up to date will all the lodgement of the council Business Activity Statements. Dec-22 BAS is filled on 10th January 23.

CONSULTATION AND TIMING

Section 8 of the Local Government Accounting Regulations 2014 outlines the requirements for financial reporting to Council. In particular it states that the actual income and expenditure for the commencement of the financial year to the end of the previous month should be reported plus a statement of the debts owed to the Council.

Part 8 Financial reports to council**18 Financial reports to council**

- (1) The CEO must, in each month, present before a meeting of the council a report, in a form approved by the council, setting out:
 - (a) The actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and
 - (b) The forecast income and expenditure for the whole of the financial year.
- (2) The report must include:
 - (a) Details of all cash and investments held by the council (including money held in trust); and
 - (b) A statement on the debts owed to the council including the aggregate amount owed under each category with a general indication of the age of the debts; and
 - (c) Other information required by the council.
- (3) If a council does not hold a meeting in a particular month, the report is to be laid before the council committee performing the council's financial functions for the particular month.

RECOMMENDATION

That Council notes and accepts the Finance Report for the reporting period to 31 Dec 2022

ATTACHMENTS

Cash Flow Dec 2022