

Attachment D: Statement of Financial Position

Statement of Financial Position (Council only)

As at 31 December 2023	Actual Dec-23 \$'000	Actual Dec-22 \$'000	Actual Variance \$'000	Long Term Plan Jun-24 \$'000	Actual 2022/23 \$'000
Current assets					
Cash and cash equivalents	16,893	21,606	(4,712) *1	3,516	1,326
Trade and other receivables from non-exchange transactions	21,154	18,946	2,208 *2	7,683	14,227
Trade and other receivables from exchange transactions	7,619	8,921	(1,302) *2	11,391	20,752
Inventories	97	72	24	53	71
Other financial assets	1,155	73	1,082 *3	15	1,155
Other current assets	10,860	8,580	2,280 *4	2,278	10,269
Assets held for Sale	4,455	-	4,455 *5	-	4,455
Total current assets	62,234	58,199	4,035	24,936	52,255
Non-current assets					
Investment in subsidiaries	5,412	5,412	-	8,907	5,412
Other financial assets	12,612	7,907	4,705 *6	-	12,612
Property, plant and equipment	2,929,073	2,682,399	246,674 *7	2,536,592	2,878,207
Intangible assets	5,783	4,601	1,182 *8	-	5,159
Investment property	53,150	50,940	2,210 *9	64,333	53,150
Development property	19,447	20,795	(1,348) *10	7,614	19,372
Total non-current assets	3,025,477	2,772,054	253,423	2,617,446	2,973,912
Total assets	3,087,710	2,830,253	257,458	2,642,382	3,026,167
Current liabilities					
Trade and other payables from exchange transactions	41,426	48,306	(6,880) *11	24,656	47,741
Borrowings	109,000	26,785	82,215 *12	126,000	109,000
Other current liabilities	79,312	68,087	11,224 *13	36,525	9,028
Employee entitlements	3,733	3,291	443	-	3,474
Total current liabilities	233,470	146,469	87,002	187,181	169,243
Non-current liabilities					
Borrowings	471,982	432,594	39,388 *12	379,891	417,732
Total non-current liabilities	471,982	432,594	39,388	379,891	417,732
Total liabilities	705,452	579,062	126,390	567,072	586,975
Net assets	2,382,258	2,251,191	131,068	2,075,310	2,439,193
Equity					
Reserves	1,681,547	1,533,538	148,009	1,160,976	1,681,547
Accumulated funds	700,711	717,653	(16,942)	914,334	757,646
Total equity attributable to Council	2,382,258	2,251,191	131,068	2,075,310	2,439,193

Commentary

- *1 Movement in cash on hand relates to \$11.6M reduction in MBIE cash held for Kickstart grant initiatives, \$10.9M of this was surplus monies and was returned to MBIE in March 23. There has been an \$11.8M increase in short term deposits due to cash flow availability, and a \$6.3M reduction in the main bank account balance due to timing and extent of purchases and receipts.
- *2 Refer to Debtors Analysis for commentary.
- *3 Increase of \$1.1M in current interest rate swaps due to timing of when these financial instruments were transacted.
- *4 Increase of \$2.1M due to prepaid carbon credits balance being higher as a result of a lower unique emissions trading factor (resulting in fewer prepaid credits being used), and an increase in other prepayments (e.g. licences, subscriptions and memberships) of \$0.9M offset by a \$0.8M lower prepaid insurance balance due to the timing of the receipting of the invoices for the below ground insurance which covers the period November 2023 to October 2024.
- *5 There has been \$4.5M reclassified as assets held for sale at 30 June 2023 including \$3.6M for lot 8 at Lakeview, and \$0.8M for unit GF, 71 Ballarat Street which was purchased as part of the arterials project.
- *6 \$4.7M increase in LGFA borrower note balance from \$6.1M to \$10.8M. The balance increased as each Council that borrows from LGFA must subscribe to an amount equal to 2.5% of the total borrowings from LGFA by that Council. The LGFA will redeem borrower notes when the Council's related borrowings are repaid.
- *7 Movement includes \$96M revaluation movement at 30 June 2023 year end. The remaining increase is mainly \$83M of capitalisations and a \$98M increase in the capex work in progress balance.
- *8 There have been additions to Intangible assets of \$3.7M, less \$2.5M amortised for the year.
- *9 Movement of \$2.2M due to annual investment property revaluation increase.
- *10 \$1.3M decrease mainly due to a \$2.9M increase in the development property balance for Lakeview gas and power infrastructure, offset by a \$4.5M reduction due to transfers from development property to assets held for sale as per point 5 above.
- *11 There has been a \$9.7M reduction in MBIE kickstart funding payable, a \$4.6M increase in trade creditors, a \$0.8M reduction in accruals, and a \$1.0M reduction in subdivision bonds.
- *12 Increase in total borrowings of \$121.6M to fund the capital programme.
- *13 The movement is due to an \$11.0M increase in the rates in advance balance. Rates for the year are invoiced for the full year when struck and are released to the profit and loss monthly. Rates revenue has increased from \$122M (GST incl) in FY23 to \$144M (GST incl) in FY24. As a result, there is \$11.0M more rates revenue to release in the remaining two quarters.

Borrowing Limits (%)	Forecast Dec-23	Long Term Plan Jun-24	Borrowing Limit	Actual Dec-22	Actual Jun-23
Interest Expense/Rates < 30% (2022/23: < 30%)	20.6%	11.6%	30.0%	10.3%	17.5%
Interest Expense/Total Revenue < 15% (2022/23: < 20%)	10.5%	7.3%	20.0%	6.5%	8.8%
Net Debt/Total Revenue < 290% (2022/23: < 295%)	252.8%	280.0%	290.0%	257.2%	253.4%

- Measure is well within the borrowing limit
- Measure is within 5% of the borrowing limit
- Measure is outside of the borrowing limit