

BARKLY REGIONAL COUNCIL

Financial Analysis for the year ended 30 June 2022
Prepared for Council's Meeting to be held 15 December 2022

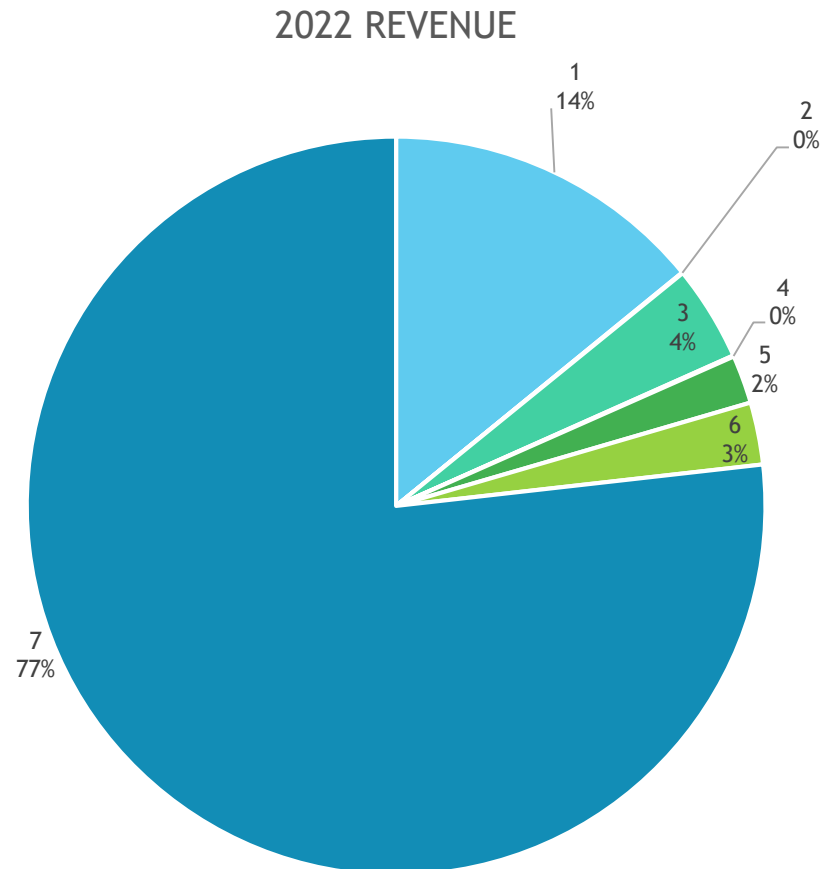
Introduction

- Colin James (FCA)
- Registered Company Auditor.
- I have been appointed auditor of Barkly Regional Council for FY 2022.
- I have completed Lowrys audit of the financial statements of Barkly Regional Council for FY 2022 and have issued an unqualified audit report.
- A unqualified audit reports means;
 1. The FY 2022 financial statements give a true and fair view of Council's financial position as at 30 June 2022 and of its financial performance for the year then ended.
 2. The FY 2022 financial statements comply with Australian Accounting Standards, the financial reporting requirements of the Local Government Act 2019 and the Local Government (Accounting) Regulations 2021.
 3. Barkly Regional Council does not have any significant issues relating to internal control and accounting procedures of which we become aware during the course of the audit.
 4. Barkly Regional Council is meeting its responsibilities for maintaining adequate accounting records and appropriate control over its financial transactions and assets.

Profit and Loss

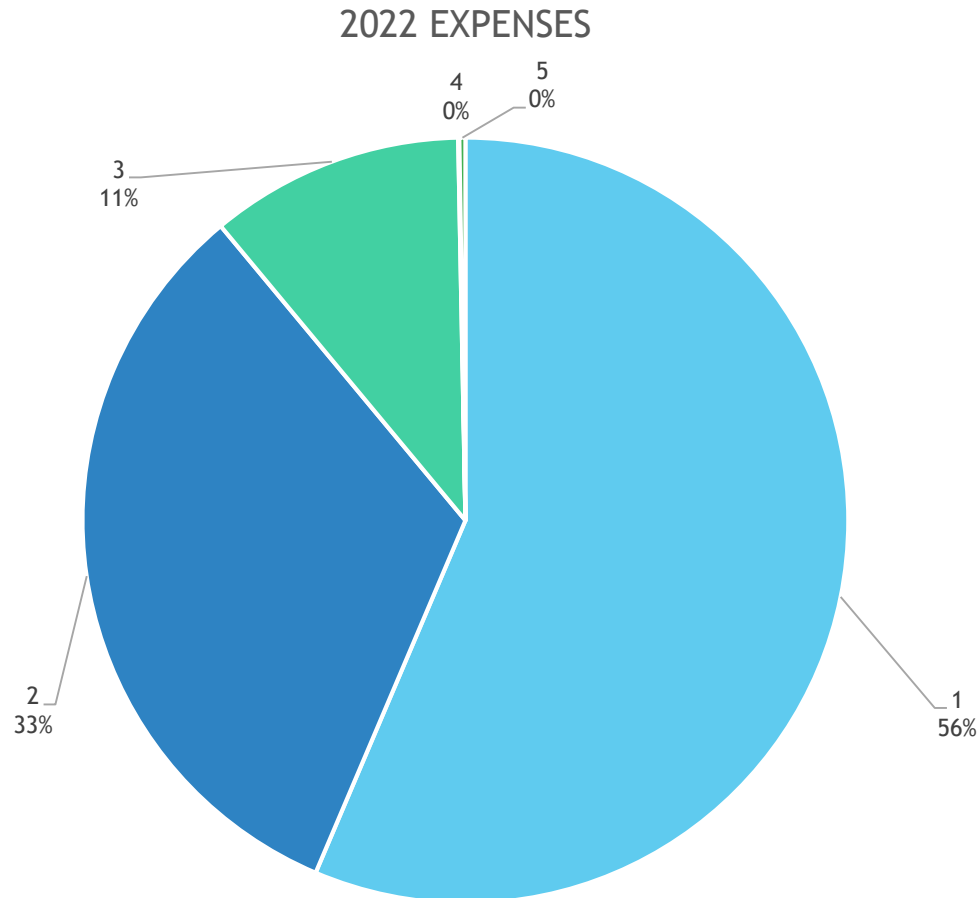
	2022		2021		Change
	\$ 000	%	\$ 000	%	\$ 000
Revenue					
Rates and annual charges	3,902	14%	3,812	15%	90
Statutory charges	9	0%	7	0%	2
User charges and fees	1,156	4%	1,110	4%	46
Investment income	13	0%	17	0%	(4)
Reimbursements	585	2%	797	3%	(212)
Other revenue	753	3%	506	2%	247
Grants, subsidies and contributions	21,237	77%	19,420	76%	1,817
Total revenue	<u>27,655</u>		<u>25,669</u>		<u>1,986</u>
Expenses					
Employee benefits expense	15,072	56%	14,549	54%	523
Materials, contracts and other expenses	8,702	33%	9,449	35%	(747)
Depreciation and amortisation	2,869	11%	2,929	11%	(60)
Finance costs	13	0%	20	0%	(7)
Other expenses	68	0%	10	0%	58
Total expenses	<u>26,724</u>		<u>26,957</u>		<u>(233)</u>
Net surplus/(deficit) from ordinary activities	931		(1,288)		2,219

Where did the income come from?



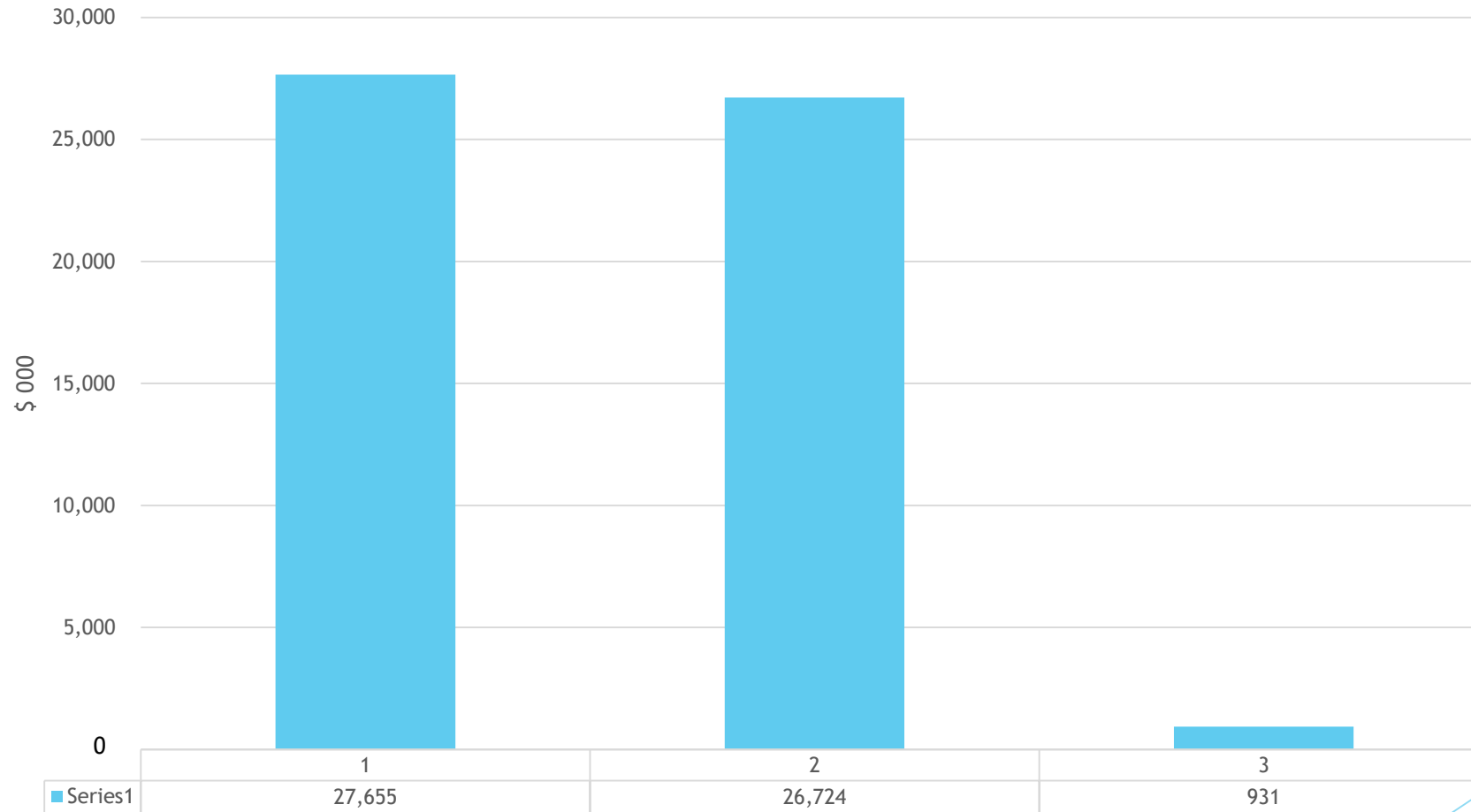
Total income = \$27,655,000

What were the expenses?

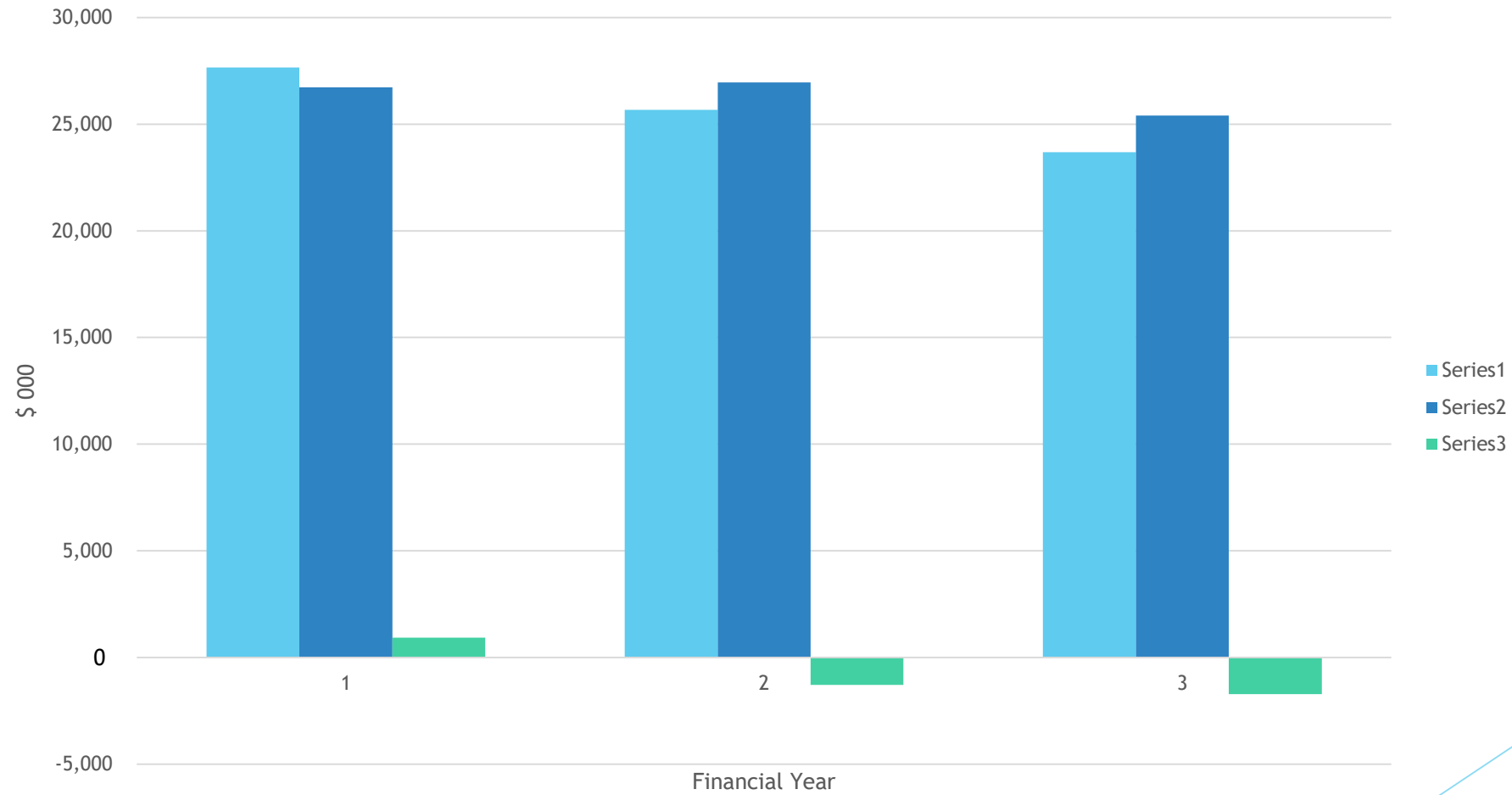


Total expenses = \$26,724,000

Results of operation



Profit and loss trends



Balance Sheet

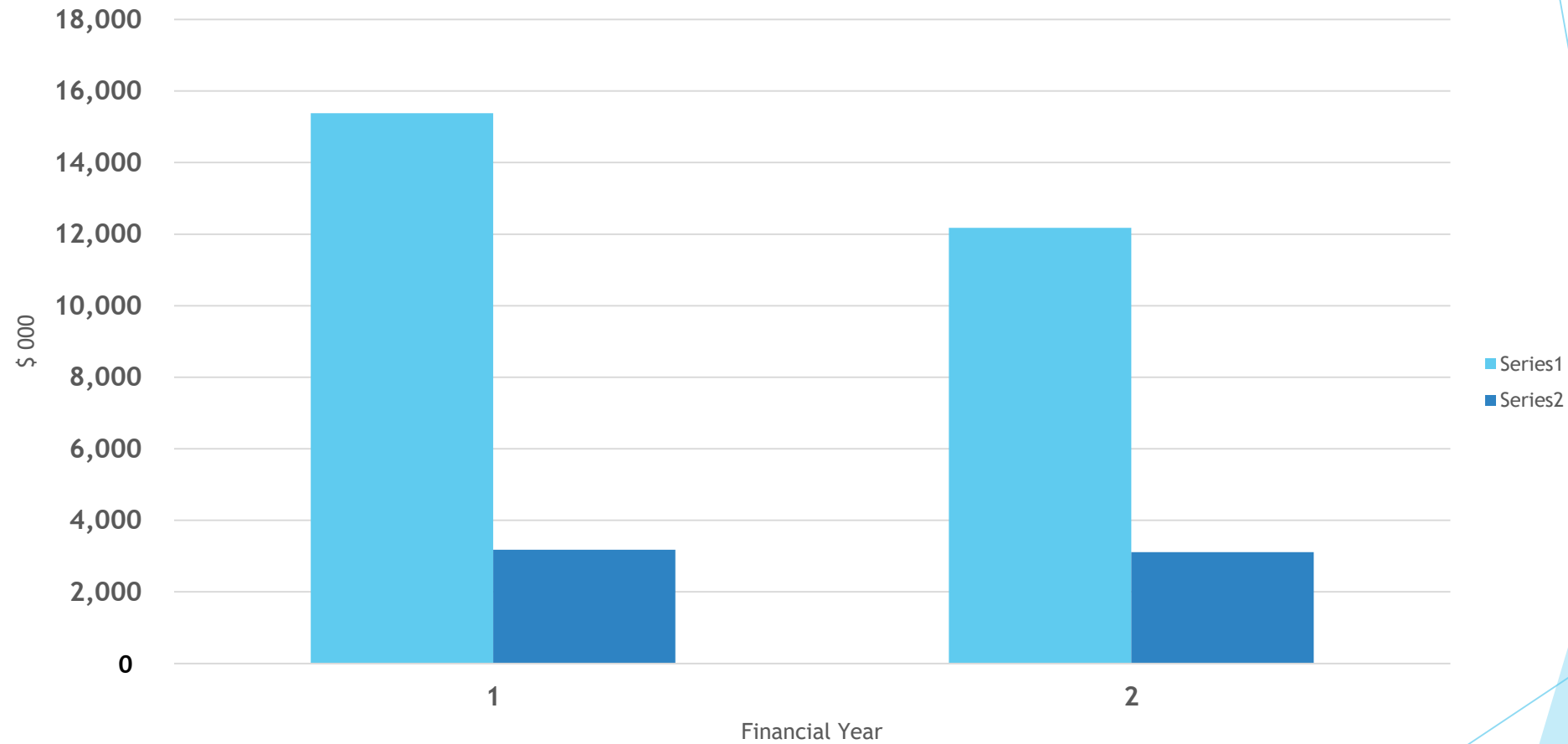
	2022	2021	Change
	\$ 000	\$ 000	\$ 000
ASSETS			
Current assets			
Cash and cash equivalents	12,429	10,572	1,857
Trade and other receivables	2,921	1,585	1,336
Inventories	32	17	15
Total current assets	15,382	12,174	3,208
Non-current assets			
Land, Buildings - including structures and site improvements, infrastructure, property and plant and equipment (refer to note)	40,852	38,143	2,709
Total non-current assets	40,852	38,143	2,709
Total assets	56,234	50,317	5,917

Note: Council is required to conduct a fair value valuation of its non-current assets prior to 30 June 2023. This valuation is likely to be significantly higher than the \$40,852,000 recorded in the FY2022 balance sheet.

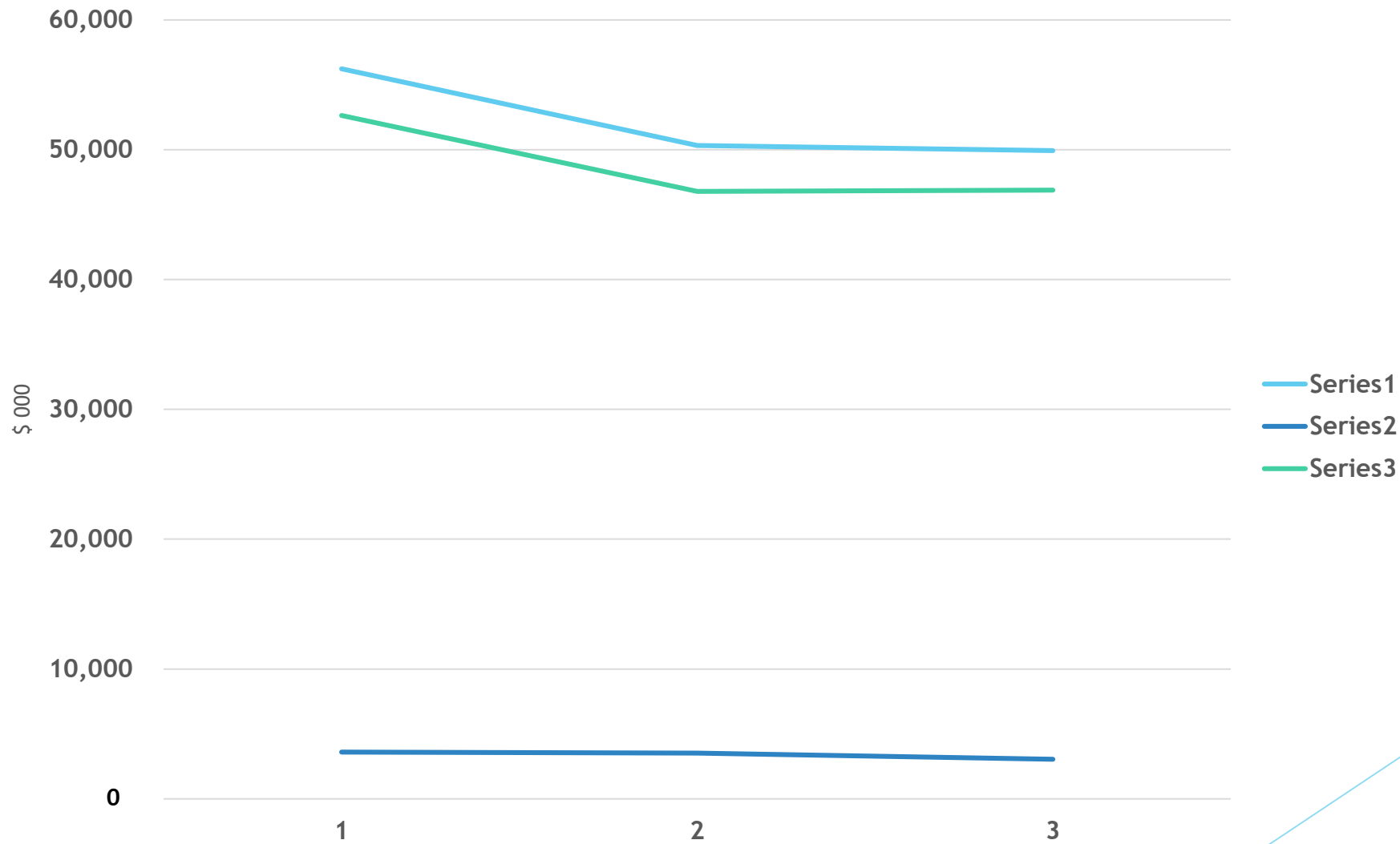
Balance Sheet

	2022	2021	Change
	\$ 000	\$ 000	\$ 000
LIABILITIES			
Current liabilities			
Trade and other payables	2,049	1,733	316
Provisions	1,127	1,379	(252)
Total current liabilities	3,176	3,112	64
Non-current liabilities			
Provisions	417	417	-
Total non-current liabilities	417	417	-
Total liabilities	3,593	3,529	64
Net Assets	52,641	46,788	5,853

Able to pay its debts? ✓

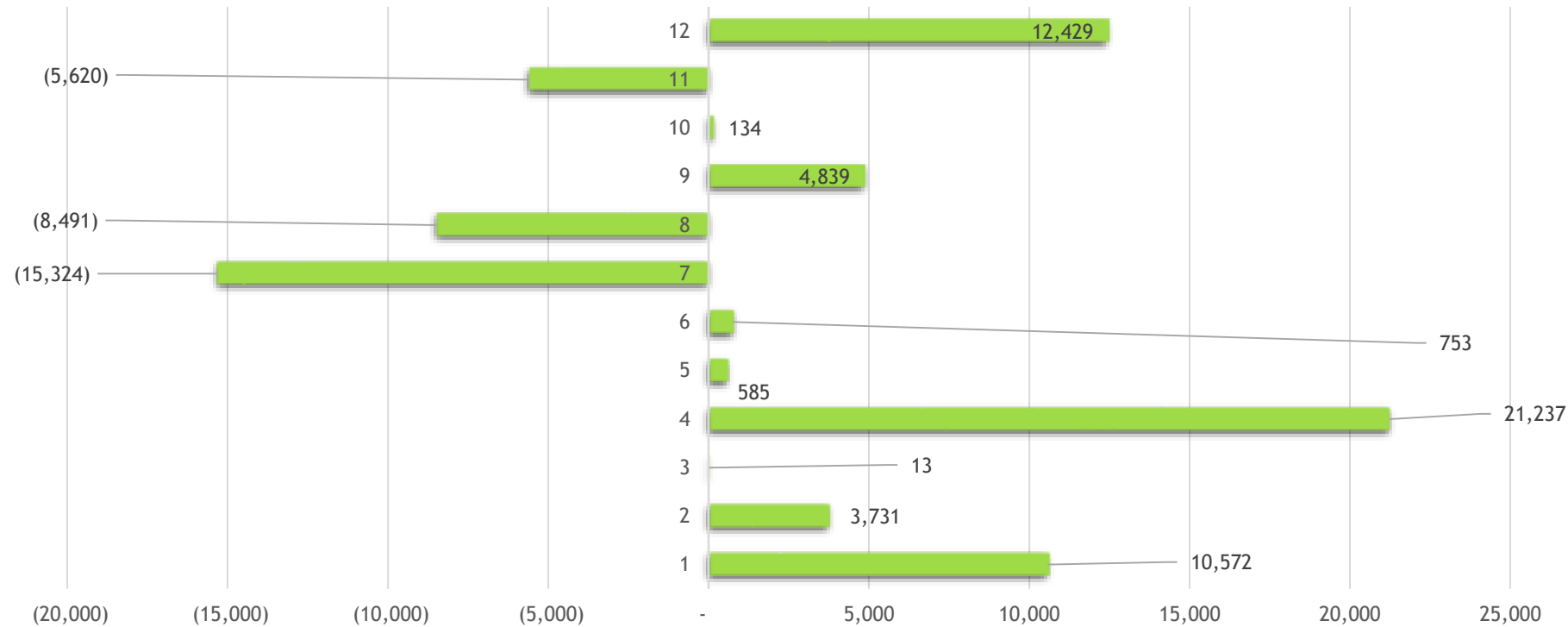


Balance sheet trend



Summary of cash in and cash out

2022 Cash Movement
\$ 000



Key performance indicators

Liquidity Test (Working Capital Ratio)

Current assets: \$ 15,382,000

Current liabilities: \$ 3,176,000

Liquidity ratio: **4.8**

2021: **3.9**



(Liquidity issue when less than 1)

Key performance indicators

Cash to Unexpended Grants Reserve Ratio

Cash balance:	\$	12,429,000
Unexpended grants reserve:	\$	3,418,000
Percentage:		28%
2021:		32%



Cash Holding

Cash balance:	\$	12,429,000
Unexpended grants reserve:	\$	(3,418,000)
Other Liabilities:	\$	(3,593,000)
Residual Cash:	\$	5,418,000

CASH HOLDING

