

Attachment D: March 2024 Statement of Financial Position

Statement of Financial Position (Council only)

As at 31 March 2024

	Actual Mar-24 \$'000	Actual Mar-23 \$'000	Actual Variance \$'000	Annual Plan Jun-24 \$'000	Actual Jun-23 \$'000
Current assets					
Cash and Cash Equivalents	18,917	15,302	3,615 *1	2,904	1,326
Trade and other receivables from non-exchange transactions	20,766	18,286	2,479 *2	7,683	14,227
Trade and other receivables from exchange transactions	11,663	13,606	(1,942) *2	11,391	20,752
Inventories	82	74	8	53	71
Other Financial Assets	1,155	73	1,082 *3	15	1,155
Other current assets	11,440	6,854	4,586 *4	3,096	10,269
Assets held for Sale	4,455	-	4,455 *5	-	4,455
Total current assets	68,478	54,195	14,283	25,142	52,255
Non-current assets					
Investment in subsidiaries	5,412	5,412	-	8,907	5,412
Other financial assets	14,362	11,907	2,455 *6	-	12,612
Property, plant and equipment	3,012,544	2,727,806	284,738 *7	2,864,803	2,878,207
Intangible assets	6,095	5,298	796 *8	-	5,159
Investment property	53,150	50,940	2,210 *9	64,333	53,150
Development property	19,484	23,713	(4,229) *10	7,614	19,372
Total non-current assets	3,111,046	2,825,077	285,970	2,945,657	2,973,912
Total assets	3,179,524	2,879,271	300,253	2,970,799	3,026,167
Current liabilities					
Trade and other payables from exchange transactions	57,144	44,237	12,907 *11	24,656	47,741
Borrowings	95,000	31,785	63,215 *12	154,238	109,000
Other current liabilities	43,348	36,959	6,389 *13	36,525	9,028
Employee entitlements	2,778	1,977	801 *14	-	3,474
Total current liabilities	198,271	114,959	83,312	215,419	169,243
Non-current liabilities					
Borrowings	516,982	460,844	56,138 *12	475,715	417,732
Total non-current liabilities	516,982	460,844	56,138	475,715	417,732
Total liabilities	715,252	575,802	139,450	691,135	586,975
Net assets	2,464,271	2,303,469	160,802	2,279,665	2,439,193
Equity					
Reserves	1,681,547	1,533,538	148,009	1,454,659	1,681,547
Accumulated funds	782,724	769,931	12,793	825,006	757,646
Total equity attributable to Council	2,464,271	2,303,469	160,802	2,279,665	2,439,193

Commentary

- *1 Movement in cash on hand relates to a \$5.6M increase in short term deposits due to timing of the availability of cash. This has been partially offset by smaller movements in the other bank account balances at March 2024, with the property bank account \$2.8M less than March 2023 and the separate bank account set up for MBIE grant funding having a residual balance of \$0.6M as at March 2023 which was recognised as interest income and the account subsequently closed by 2023 year end.
- *2 Refer to Debtors Analysis for commentary.
- *3 Increase of \$1.1M since March 2023 relates to current interest rate swaps and the timing of when these financial instruments were transacted.
- *4 The \$4.7M increase in other current assets is due to a \$2.7M increase in the prepaid carbon credits balance which is higher as a result of a lower unique emissions trading factor (resulting in fewer prepaid credits being used). There is a \$0.4M increase in prepaid insurance and the remaining \$1.6M increase relates to other prepayments.
- *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 There has been a \$2.5M increase in the LGFA borrower note balance from \$10.1M to \$12.6M. 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 increase as at 30 June 2023 year end, a \$113M increase in the capital work in progress balance compared to March 2023 and the remaining variance being asset capitalisations and an increase in the accumulated depreciation balance.
- *8 There have been additions to intangible assets of \$3.1M including the WIP balance, offset by an additional \$2.5M amortised for the year.
- *9 Movement relates to the annual investment property revaluation at the 30 June 2023 year end.
- *10 \$4.5M of the variance is due to transfers from development property to assets held for sale as per point 5 above, offset by a \$0.3M increase in development property WIP for Lakeview.
- *11 Movement includes a \$2.4M increase in the trade payables balance, offset by a \$2.1M decrease in interest accruals compared to March 2023.
- *12 There is an increase in total borrowings of \$119.4M to fund the capital programme.
- *13 The majority of the movement is due to a \$5.6M 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) for the 2023 financial year to \$144M (GST incl) for the 2024 financial year.
- *14 Increase in employee entitlements relates to a \$0.6M increase in salary & wages and IRD deductions payable at month end and a \$0.2M increase in the annual leave provision owing.

Borrowing Limits (%)	Forecast Mar-24	Annual Plan Jun-24	Borrowing Limit	Actual Mar-23	Actual Jun-23
Interest Expense/Rates < 30% (2022/23: < 30%)	20.4%	17.5%	30.0%	15.1%	17.5%
Interest Expense/Total Revenue < 20% (2022/23: < 20%)	10.6%	9.2%	20.0%	7.4%	8.8%
Net Debt/Total Revenue < 290% (2022/23: < 295%)	241.9%	264.8%	290.0%	218.0%	253.4%

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