

6. OFFICERS REPORTS

6.1. FINANCIAL REPORTS JULY 2023

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DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council notes the Statement of Comprehensive Income for July 2023.

EXECUTIVE SUMMARY

The Statement of Comprehensive Income details the progress of the 2023-2024 budget for the period ended 31 July 2023.

Key points to note include the following:

- Operating revenue is ahead of budget by \$56k. Expenditure is behind budget \$184k. The operating Surplus is currently \$13.25m compared to a budgeted surplus of \$13.01m.
- The Statement of Financial Position will not be provided until the 2023 Financial year is finalised and audited.

BACKGROUND

In accordance with s 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

COMMENT

The 2023-2024 annual budget was adopted on 11 July 2023. The attached financial report details progress against budget for the period ended 31 July 2023.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

FINANCIAL REPORT – Statement of Comprehensive Income

Operating Revenue and Expenditure

Key points:

Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates & Utility Charges are ahead of budget by \$6k.
- Fees and charges are ahead of budget by \$44k. This is due to the following:
 - Daintree Ferry revenue currently \$58k ahead of budget.
 - Licence fees are ahead of budget \$47k due to timing of invoices being issued.
 - Building and Property related fees currently \$3k ahead of budget.
 - Refuse Tipping fees are ahead of budget \$1k.
 - Other Fees and charges are \$65k behind budget. Primarily due to Flagstaff Hill rental fees yet to be charged and vacant Inlet mooring piles.
- Grants and Subsidies are online with budget.
- Interest is online with budget.
- Other recurrent income is \$5k ahead of budget.

Regarding year-to-date expenditure, variations to budget are as follows:

- Employee benefits expenditure is \$2k under budget and may be impacted by various factors, such as staff vacancies and the amount and timing of leave taken.
- Materials and services expenditure is \$182k under budget year to date. Commitments are currently \$3.6m including purchase orders for annual expenditure.
- Depreciation expense has been accrued based on the budget forecast. The asset register is still being finalised as part of the 2022/2023 end of financial year process and cannot be updated with actual depreciation for the new financial year until this process is completed.

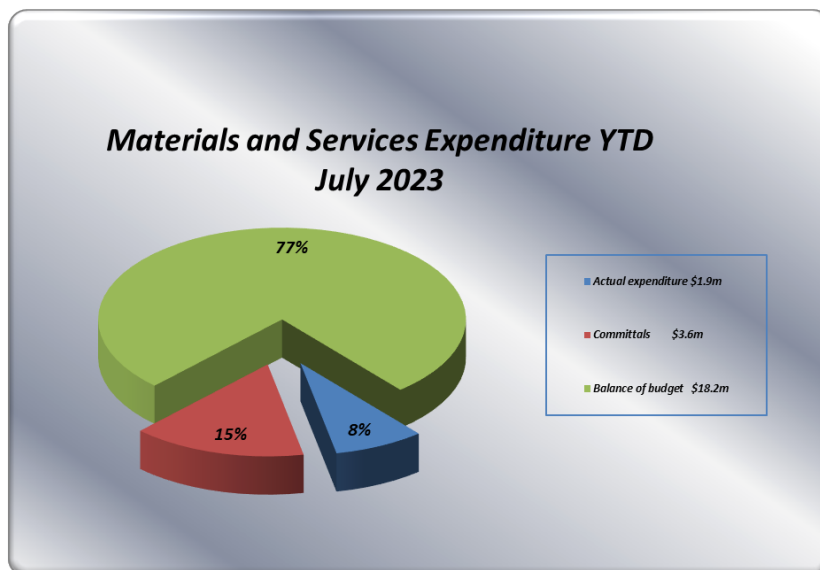


Figure 1.

Operating Result

Key point:

- The operating result is \$240k ahead of budget.

As reflected in the attached report, total operating revenue at the end of July 2023 was \$56K ahead of budget and operating expenditure \$184k under budget This has resulted in an operating Surplus of \$13.25M compared to a budgeted Surplus of \$13.01m for year to date.

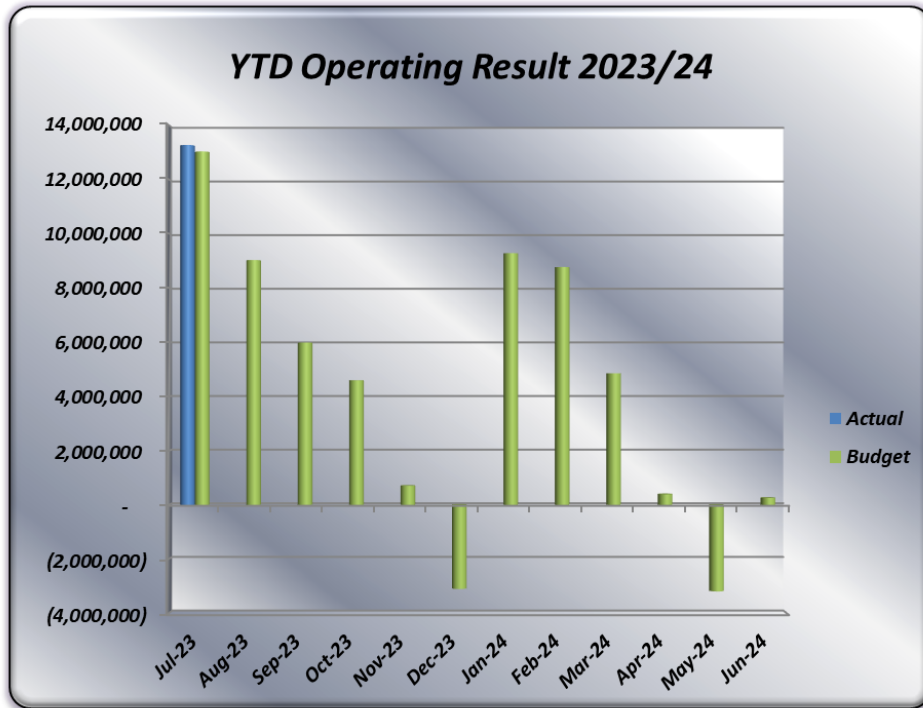


Figure 2.

Capital Revenue and Expenditure

Key point:

- Council has received 1%, \$19k of its annual budgeted capital grants and subsidies.
- Full budget amounts for capital revenue and expenditure are allocated in the report to July 2023
- Capital works income and expenditure budgets include projects that may be completed across multiple financial years.

It should be noted that in addition to year-to-date capital expenditure of \$600k a further \$5.7m had been committed as at the end of July 2023.

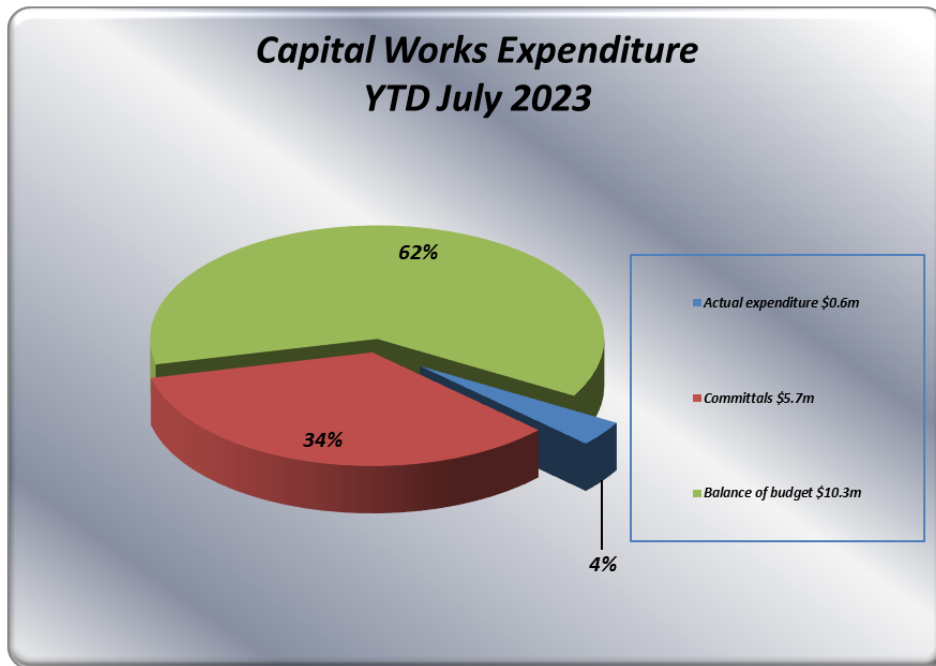


Figure 3.

FINANCIAL STATEMENT - Statement of Financial Position

The Statement of Financial Position will not be provided until the 2023 Financial year is finalised and audited.

PROPOSAL

That Council notes the Statement of Comprehensive Income July 2023.

FINANCIAL/RESOURCE IMPLICATIONS

The results as at the end of July 2023 have not revealed any significant impacts on the 2023-2024 budget.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

SUSTAINABILITY IMPLICATIONS

- Economic:** The aim of the long-term financial forecast is to meet all the 'measures of financial sustainability'.
- Environmental:** Nil
- Social:** Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2023-2024 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

- | | |
|------------------|--|
| Custodian | Council owns and manages infrastructure, facilities, reserves, resources, and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance. |
| Regulator | Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice. |

ATTACHMENTS

1. Statement of Comprehensive Income July 2023 [6.1.1 - 1 page]

Douglas Shire Council					
Statement of Comprehensive Income					
Financial Report July 2023					
	Actual YTD 24	Budget YTD 23/24	Variance	Budget 23/24	Actual as % of Budget 23/24
	\$	\$	\$	\$	
Operating Revenue					
Rates and utility charges	16,477,003	16,469,165	7,838	41,916,254	39%
less: Financial Assistance, Remissions (incl. Pensioners)	(303,351)	(301,500)	(1,851)	(611,000)	50%
Net rates and utility charges	16,173,652	16,167,665	5,987	41,305,254	39%
Fees and charges	1,043,984	999,509	44,475	8,411,328	12%
Grants and subsidies	114,250	114,250	-	6,423,376	2%
Interest received	119,329	118,878	451	1,261,351	9%
Other recurrent income	73,934	69,279	4,655	1,273,221	6%
Total Operating Revenue	17,525,149	17,469,581	55,568	58,674,529	30%
Operating Expenses					
Employee benefits	1,122,766	1,125,606	2,840	19,323,083	6%
Materials and services	1,896,615	2,078,271	181,656	23,784,226	8%
Depreciation	1,251,812	1,251,812	-	15,187,351	8%
Finance costs	1,104	546	(558)	122,210	1%
Total Recurrent Expenses	4,272,297	4,456,235	183,938	58,416,870	7%
Operating Result	13,252,852	13,013,346	239,506	257,659	5144%
Capital Revenue					
Capital grants and subsidies	18,800	3,051,867	(3,033,067)	3,051,867	1%
Contributions from developers	-	250,000	(250,000)	250,000	0%
Gain/(Loss) non current assets	-	-	-	-	-
Total capital revenue	18,800	3,301,867	(3,283,067)	3,301,867	1%
Net Result	13,271,652	16,315,213	(3,043,561)	3,559,526	373%
Capital Works Program					
Capital additions	605,035	16,664,354	16,059,319	16,664,354	4%
Total capital additions	605,035	16,664,354	16,059,319	16,664,354	4%