

ORDINARY COUNCIL MEETING**13 MAY 2014****1**

FINANCIAL REPORT FOR PERIOD ENDING 30 APRIL 2014

Darryl Crees – General Manager Corporate Services

RECOMMENDATION:**That Council notes the Financial Report for the period ended 30 April 2014.**

EXECUTIVE SUMMARY:

The attached Financial Report details the progress of the 2013/14 budget for the four months ending 30 April 2014.

BACKGROUND:

In accordance with section 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 2013/14 annual budget was adopted on 24 January 2014 and the attached report details progress against budget for the first four months ending 30 April 2014. In reviewing this Financial Report the following should be noted:

- This report is not a statement of Council's full financial position, as such information cannot be provided until the final division of assets and liabilities between Cairns Regional Council and Douglas has been reflected in the opening balances of Council's general ledger.
- As financial trends were not available when compiling the budget, each budget item was divided evenly over the six month budget period. The receipt of revenue and application of expenditure does not necessarily occur in such a linear fashion and therefore when compared to budget a number of variations arise.

- Variations of note include:
 - less than anticipated revenue from ferry fees due to seasonal conditions
 - the timing of receipt of Council's general purpose grant
 - less than anticipated expenditure on materials and services (although there are significant committals which will reduce this variation once the materials and services have been expensed).
- Depreciation expense has been accrued based on budget forecasts, as the asset register is being transferred from Cairns Regional Council and will need to be updated with new additions.

Total operating revenue at the end of April was slightly under budget whereas operating expenditure was well under budget. As a result, the Financial Report shows an operating surplus of \$481,821. As mentioned above, revenue and expenditure are not necessarily linear in nature and the actual operating result is expected to align much more closely with the budgeted result by the end of the financial year.

PROPOSAL:

The Financial Report for the period ending 30 April 2014 be received and noted by Council.

FINANCIAL/RESOURCE IMPLICATIONS:

The results as at the end of April 2014 have not revealed any significant impacts on the 2013/14 budget.

ATTACHMENTS:

Financial Report

Douglas Shire Council	Douglas	Douglas	Variance	Douglas	Actual as % of
Statement of Comprehensive Income	Actual YTD '14	Budget YTD '14		Budget 13/14	Budget 13/14
For the month of APRIL 2014	\$	\$	\$	\$	
Operating Revenue					
Net rates and utility charges	8,983,966	8,842,820	141,146	13,264,243	68%
Fees and charges	761,248	968,536	(207,288)	1,452,812	52%
Grants, subsidies, contributions and donations	73,240	301,672	(228,432)	452,504	16%
Interest received	229,282	210,380	18,902	315,578	73%
Other recurrent income	348,668	316,160	32,508	474,219	74%
Total Operating Revenue	10,396,403	10,639,568	(243,165)	15,959,356	65%
Operating Expenses					
Employee benefits	3,534,843	3,735,058	200,215	5,602,697	63%
Materials and services	2,502,462	5,192,468	2,690,006	7,788,593	32%
Depreciation	2,902,300	2,960,232	57,932	4,440,344	65%
Finance costs	47,978	18,000	(29,978)	27,000	178%
Other payments	-	-	-	-	0%
Total Recurrent Expenses	8,987,583	11,905,758	2,918,175	17,858,634	50%
Result from ordinary activities	1,408,820	(1,266,190)	2,675,010	(1,899,278)	74%
De-Amalgamation costs post Jan 1	926,999	730,332	(196,667)	1,095,500	85%
Operating Result	481,821	(1,996,522)	2,478,343	(2,994,778)	16%
Capital revenue					
Capital Grants and Subsidies	-	2,219,465	(2,219,465)	3,329,197	0%
Capital Contributions	-	67,778	(67,778)	101,667	0%
Total capital revenue	-	2,287,243	(2,287,243)	3,430,864	0%
Net result	481,821	290,721	191,100	436,086	110%
Capital expenses:					
Loss on sale of property, plant and equipment	-	-	-	-	0%
Capital expenses	81,872	4,009,000	3,927,128	6,013,500	1%
Total capital expenses	81,872	4,009,000	3,927,128	6,013,500	1%